



# **CORPORATE SOCIAL RESPONSIBILITY POLICY**

## **Version 1.0**

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***Altum Credo Home Finance Private Limited***

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Prepared by	Reviewed by	Approved by
Company Secretary	Chief Financial Officer	Board of Directors

*This Policy adheres to extant guidelines, directions, circulars issued by the regulator, ministry of corporate affairs, government of India, other agencies, other sources, as on the date of approval/ review of the Policy – Chief Compliance Officer.*

## CONTENTS

INTRODUCTION .....	4
OBJECTIVE AND SCOPE AND OF POLICY.....	4
DEFINITIONS .....	4
FOCUS AREAS FOR CSR INITIATIVES.....	5
THRUST AREAS .....	6
GUIDING PRINCIPLES .....	6
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE .....	6
CORPORATE SOCIAL RESPONSIBILITY (CSR) SPENT .....	8
TRANSFER OF UNSPENT AMOUNT TO UNSPENT CSR ACCOUNT .....	9
REPORTING.....	9
MONITORING MECHANISM.....	9
GENERAL TERMS & CONDITIONS.....	10
REVIEW.....	10
EFFECTIVE DATE.....	10

## INTRODUCTION

Altum Credo Home Finance Private Limited (“**ACHF**”) is a housing finance company registered under the National Housing Bank Act, 1987 and caters to long-term housing finance needs to economically weaker and low-income group segments who are generally underserved and unserved by formal financial institutes. ACHF in its journey has built a sustainable business model and created value for its stake holders. As the Company emerges as a matured organisation, apart from its endeavour to serve the customers, ACHF has a focused approach towards contributing to the society at large. ACHF has an obligation to the society and is committed towards its social responsibilities in a meaningful manner in which it treats its customers, business associates, shareholders and employees.

The Company being a corporate entity falling under the purview of Section 135 of the Companies Act, 2013 (**the Act**) read with the Companies (CSR Policy) Rules, 2014 (the Rules), constituted a Corporate Social Responsibility Committee (“**CSR Committee**”) with the approval of the Board of Directors (“**Board**”) on June 09, 2023. The CSR Committee has in exercise of its authority and discharge of its responsibility, formulated a **Corporate Social Responsibility Policy (“CSR Policy”)** which has been put forth for Board approval in their meeting on October 12, 2023.

## OBJECTIVE AND SCOPE AND OF POLICY

The CSR policy of the Company will ensure an effective and sustained CSR programme which will manifest in the form of a progressive, socially responsible and enlightened attitude. CSR activities will be environment friendly and conducive to growth.

The objective of this Policy is to articulate the CSR Policy of ACHF and establish the framework, enabling ACHF to carry out CSR activities for improving the quality life of underprivileged sections of the society through multi-faceted interventions in education, healthcare, skill development and dignified living conditions.

## DEFINITIONS

In this policy, unless the context otherwise requires:

- 1 “Act” shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- 2 “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
- 3 “Board” shall mean the Board of Directors of the Company.
- 4 “Company” shall mean Altum Credo Home Finance Private Limited and wherever the context requires, shall signify the Company acting through its Board.
- 5 “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure for the year.
- 6 “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of two or more directors.
- 7 “CSR Expenditure” means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
  - i contribution to CSR Projects which shall be implemented and/or executed by the Company;
  - ii any other contributions covered under Schedule VII to the Act.Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR Expenditure.
- 8 “CSR Officer” shall mean the whole-time person engaged by the Company/Group for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.
- 9 “CSR Policy” shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

10 “CSR Projects” or “Projects” means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

- 11 “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- 12 “Net profit” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
- 13 “Rules” shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
- 14 “Thrust Areas” shall have the meaning as ascribed to them as per the Policy.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

## FOCUS AREAS FOR CSR INITIATIVES

The broad frame work for CSR initiatives recommended to be undertaken by the Company would be as per section 135 and schedule VII of Companies Act, 2013.

- 1.1 Hunger, Malnutrition and Health:** Contribute towards eradicating extreme hunger, malnutrition, promoting healthcare and sanitation, and make available safe drinking water and general hygiene for the targeted segment. Establishing day care centres for underprivileged and differentially abled children.
- 1.2 Education:** Promoting education for economically weaker section/migratory construction site workers and their children, women and differently abled and livelihood enhancement projects; monetary and material contributions to academic institutions promoting education for the underprivileged, with an aim of assisting students in their studies.
- 1.3 Gender Equality, Empowerment of Women and care for Senior Citizens:** Promoting gender equality and empowering women; setting up homes and day care centres for women and orphans; assist/co-partner in setting up of old age homes for senior citizens.
- 1.4 Environmental Sustainability:** Ensuring and encouraging environmental sustainability projects; encourage usage of environmentally friendly alternate sources of energy and power. Protection of flora and fauna and animal welfare.
- 1.5 National Heritage, Art and Culture:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and work of art. Participate and contribute towards activities promoting and developing traditional art and handicrafts.
- 1.6 Others:** In case of any natural calamity/disaster contribute towards Prime minister relief fund or any specific fund maintained by Central/state Government of India; measures for welfare and benefit of armed forces veterans, war widows and their dependents.

## THRUST AREAS

While the Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII to the Act, however, at present, it proposes to undertake the relevant activities on priority basis in the following three Thrust Areas:

- Old Age Home Donations
- Orphanage Donations
- Medical & Healthcare Donations

## GUIDING PRINCIPLES

CSR policy of the Company will create social and environmental value, while supporting company's business objectives and enhancing relationships with key stakeholders and customers. The guiding principles for undertaking CSR framework by the Company is as under:

- Sustainability:** CSR activities would help in building a positive image of the Company in public perception. CSR projects will be closely linked with the principles of sustainable development.
- Accountability:** CSR initiatives of the Company will be guided by section 135 of the Companies Act, 2013 and National CSR Guidelines issued by the Government of India from time to time. Effective monitoring would be done to ensure that the benefits accruing is as per expected levels.
- Transparency:** Company will undertake ethical business practices building on existing systems for maintaining transparency and accountability. Company will publicise CSR activities to the extent possible for the purpose of awareness creation, stakeholder information and brand value enhancement. The company will also incorporate details of CSR activities in its Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### I. Purpose of Constituting CSR Committee:

The purpose of the Corporate Social Responsibility Committee ("the Committee") of the Board of the Company shall be to assist the Board and the Company in fulfilling its corporate social responsibilities. The Committee shall have the overall responsibility of:

- (i) identifying the areas of CSR activities;
- (ii) recommending the amount of expenditure to be incurred on the identified "CSR activities" (which could include projects, programs or other permitted activities);
- (iii) implementing and monitoring the CSR policy from time to time;
- (iv) formulating a CSR annual action plan and recommending it to the Board;
- (v) reviewing the Company's initiatives and programs.

The purpose and responsibilities of the Committee shall include such other items / matters prescribed under applicable law or prescribed by the Board in compliance with applicable law from time to time.

The Committee is also responsible for reporting progress of various CSR initiatives and in making appropriate disclosures on a periodic basis to the Board.

### II. Composition of CSR Committee:

- 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
- The Committee shall be appointed by and will serve at the discretion of the Board.

- The CSR Committee shall consist of no fewer than 3 (three) members, with at least 1(one) Independent Director as a member.
- The Board shall appoint a chair of the CSR Committee (the “Chair”) and shall decide his or her period of office. The Chair shall be an Independent Non-Executive Director.
- The Board shall regularly review the membership of the CSR Committee to ensure that membership is refreshed and undue reliance is not placed on particular individuals as regards to membership of the CSR Committee and other Board committees.
- The Company Secretary of the Company shall act as the Secretary of the CSR Committee and shall keep a record of the membership of and the dates of any changes to the membership of the CSR Committee.

### **III. Duties and Responsibilities:**

- Formulating and recommending amendments in the policy on corporate, social responsibility to the Board, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- The Committee shall monitor if the Company is taking appropriate measures to ensure the successful implementation of CSR activities and issuing necessary directions as required for proper implementation and timely completion of CSR programmes;
- The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- The Committee shall review the Company’s initiatives and programs from time to time;
- The Company shall formulate annual action plan of the Company each year;
- Encouraging the development and recommend acceptance by the Board, of policies on all aspects of CSR including employment issues, health & safety, human rights, workforce diversity & inclusion, the environment, community & social investment, compliance with ethical trading & business practices and other CSR-related matters as may be determined by the CSR Committee from time to time.
- The Committee shall promote a culture of integrity and openness, which values diversity and responsiveness to the views of stakeholders;
- To review and assess cultural and ethical trends identified through engagement channels with the workforce, in particular in cases reported through the whistleblowing process.
- To monitor compliance with the CSR policies throughout the Company and to review performance against agreed targets;
- To develop and encourage effective two-way communication concerning CSR issues within the business;
- Performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the CSR Committee.

### **IV. Meetings of the Committee:**

- The CSR Committee should meet as and when required, however, it should must meet at least once a year.
- The quorum shall be either two members or one-third of the members of the committee, whichever is greater.
- Participation of the members by video conferencing or by any other audio-visual means shall be counted for the purpose of quorum.
- A duly convened meeting of the CSR Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the CSR Committee.

#### V. Identification & Implementation of projects to be undertaken

- Specific Programs/projects/activities shall be identified by the CSR Committee.
- Post identification of potential areas/projects/activities/programs, CSR Committee to ensure adequate due diligence of the proposed activities to be undertaken.
- Recommend the CSR Budget and ensure spending of the allocated funds.
- 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.
- 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.
- The Board of Directors shall review, consider and post considering the recommendations of the CSR Committee approve the identified programs/projects/activities.
- The CSR Committee shall regularly monitor the implementation process of the identified projects/programs/activities undertaken by the Company and update the Board on the same at regular intervals.

#### VI. Board of Directors and their Role in CSR Committee:

- To approve the activities to be undertaken as per the CSR Policy proposed/ recommended by the CSR Committee.
- To ensure the programs/projects/activities undertaken by the Company are in line with the activities as listed in this policy.
- 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.
- 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.
- 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.
- The Board of Directors of the Company shall satisfy itself that the funds so disbursed under CSR policy 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.
- 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.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) SPENT

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 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 Boards' Report.



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.

The CSR expenditure that remains unspent / unutilised for the particular year shall be carried forward to the next year.

Where the company spends an amount in excess of requirement provided under sub-section (5) of section 135 of Companies Act 2013, 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 conditions.

### **TRANSFER OF UNSPENT AMOUNT TO UNSPENT CSR ACCOUNT**

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.

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 pursuance 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.

### **REPORTING**

With effect from financial year 2023-24, the report of the Board of Directors of the Company shall include an annual report duly signed by the Managing Director & CEO of the Company as well as the Chairman of the CSR Committee, on CSR which shall contain such information as prescribed under section 135 of the Companies Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

In addition to also mention that the fund utilisation and management will be reported as per the MCA requirement in "ANNEXURE -II FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT"

Further, the CSR Policy and Projects approved by the Board will be mandatorily displayed on the website of the Company for public access.

### **MONITORING MECHANISM**

- CSR committee shall be required to meet up as and when required to discuss, review and monitor the CSR activities of the Company.
- CSR Committee 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.

- CSR Committee 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.
- CSR Committee shall ensure that appropriate documentation of all the programs/projects/activities, statements of the budget & expenditure are being undertaken on regular basis.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance this CSR policy, which shall include the following namely:
- The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act

## **GENERAL TERMS & CONDITIONS**

- The Board shall have the right to modify or change the policy from time to time.
- 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.
- 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 Company Secretary or any designated person.
- In case of any amendment(s) in Section 135, Schedule VII of Companies Act 2013 and rules made thereunder, the provisions of the same will prevail.

## **REVIEW**

The policy shall be reviewed by the Board annually.

## **EFFECTIVE DATE**

The policy shall be effective from the date of approval by the Board of Directors / subsequent date of review as mentioned above.