



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

OF

SATIN HOUSING FINANCE LIMITED

(VERSION 1.0)

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I. INTRODUCTION

Section 135 of the Companies Act, 2013 along with The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, stipulates the requirement of Corporate Social Responsibility policy (Hereinafter, “**CSR policy**”) and various aspects viz., implementation, activities under Corporate Social Responsibility (“**CSR**”), amount to be spent etc.

Further, as per Section 135(5) of the Companies Act, 2013, The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Also provided further that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

The concept of Corporate Social Responsibility has gained prominence amongst the business houses including Satin. In light of latest changes in the statute, Satin Housing Finance Limited (Hereinafter, “**SHFL**” or “**the Company**”) has drafted the CSR policy and consider it as a strategic tool for sustainable growth wherein, CSR means not only investment of funds for social activity but also integration of business processes with social benefit.

In the aforesaid backdrop, policy on Corporate Social Responsibility of SHFL is broadly framed taking into account the following measures: -

- Welfare measures for the community at large, so as to ensure the poorer section of the society deriving the maximum benefits.
- Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- Protection and safeguard of environment and maintaining ecological balance.

The CSR policy would form the framework around which the CSR activities would be undertaken.

II. AREAS AS TO BE COVERED & STRATEGIES AND SCOPE OF CSR

The primary beneficiaries of CSR should be poor and needy section of the society living in different parts of the country. Further, the Company aims to contribute to empowerment of women for education/health & self-employment and also towards the craftsmen/artisans/sculptors and uplift the standard of living by enhancing financial/technical/additions of know-how to strengthen their skill and assist through providing the market for their products which will be secondary beneficiaries.

All the activities mentioned in the SCHEDULE VII of The Companies Act, 2013, including any statutory modification or re-enactment thereof from time to time are included by SHFL in its CSR but shall not include the following:

- i. activities undertaken in pursuance of normal course of business of the Company;
- ii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;

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- vii. international organisations engaged for capacity building of company's employees
- viii. any other activity prescribed by Ministry of Corporate Affairs or any other regulatory authority(ies) in future for exclusion.

III. CSR IMPLEMENTATION

- a) The CSR will be undertaken as per the projects listed in schedule VII and identified by the Board from time to time.
- b) The Board shall ensure that the CSR activities are undertaken by the company itself or through-
 - i. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
 - ii. 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; or
 - iii. any entity established under an Act of Parliament or a State legislature; or
 - iv. a company established under section 8 of the Act, or a 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.
- c) The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes.
- d) The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the Board/CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020, as amended time to time.

IV. INSTITUTIONAL ARRANGEMENT

BOARD

The Board of SHFL shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company shall certify to the effect.

In case of ongoing project, the Board 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.

The Board shall formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- a) 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;
- b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of The Companies (Corporate Social Responsibility Policy) Rules, 2014;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and

- e) details of need and impact assessment, if any, for the projects undertaken by the Company:

V. CSR EXPENDITURE

The Board shall approve the allocation of the CSR Expenditure on the CSR Activities and, to the extent possible, shall give priority to the local areas wherever the Company has its operations.

VI. TREATMENT OF UNSPENT AMOUNT

Any amount remaining unspent, fulfilling such conditions as may be prescribed, shall be transferred and treated as per the manner prescribed under the Companies Act, 2013 and the Rule made thereunder, as amended time to time.

VII. DOCUMENTATION

The documents relating to CSR activities shall be maintained for the period as prescribed under Companies Act, 2013, as amended and as per the policy for preservation of documents of the Company.

VIII. REPORTING

1. The Board's Report, pertaining to any financial year shall also include an annual report on CSR containing particulars as may be prescribed from time to time under the Act and the Rules made thereunder, as amended time to time.
2. The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Companies Act, 2013, as amended and the CSR Rules are complied with.

IX. GENERAL

1. The administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
2. 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.
3. An amount spent in excess of requirement provided under sub-section (5) of section 135 of the 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 the conditions as mentioned in the Companies Act or any other applicable law, as amended time to time
4. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the Board may discontinue funding the project at any time during the course of implementation and use such funds for any other project.

X. PENALTY

If the Company is unable to spend and transfer the unspent CSR amount, the Company and every officer who is default shall be liable to a penalty as may be prescribed under the Companies Act, 2013 and the Rules made thereunder, as amended.

XI. AMENDMENT

The Board is empowered to amend the CSR Policy. The Board may subject to compliance with applicable law, at any time approve, alter and amend the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.
