

Corporate Social Responsibility Policy

1. Preamble

The Shriram Group to which the Company, Shriram Housing Finance Limited (hereinafter called as “SHFL”) belongs to, over the years, as part of its CSR activities, initiated/contributed towards several social welfare projects aimed at benefitting the “Aam Aadmi”. Such efforts has been focused on providing education and health care facilities to the economically weaker/underprivileged section of the society.

SHFL strongly believes that it can contribute to the common cause of the society by bring the same level of competence and efficiency in the management and administration of its CSR activities with which it handles its corporate activities.

2. Definitions

- 2.1. **Act:** Companies Act, 2013 amended from time to time.
- 2.2. **Board:** Board of Directors of the Company.
- 2.3. **Company:** Shriram Housing Finance Limited (hereinafter referred to as SHFL).
- 2.4. **Corporate Social Responsibility (“CSR”):** Corporate Social Responsibility as defined in the Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014.
- 2.5. **Corporate Social Responsibility Committee:** A Committee constituted by the Board as per Section 135 of the Companies Act, 2013.
- 2.6. **Director:** A Member of the Director of the Board of the Company.
- 2.7. **Policy:** Corporate Social Responsibility Policy.
- 2.8. **Rules 2014:** shall mean Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time.

Words and expressions used in the CSR Policy and not defined herein but defined in the Act 2013 shall have the meaning respectively assigned to them in the Act 2013 and Rules 2014.

3. Objectives

The Policy is designed to carry out CSR of the Company by complying with the Act 2013 and Rule 2014.

4. CSR Committee:

- 4.1 **Composition:** The Board will constitute/ reconstitute from time to time CSR Committee comprising of three or more Directors out of which at least one shall be an Independent Director. The Board shall appoint one of the members of the Committee as the Chairman of the Committee.
- 4.2 **Role and Terms of Reference:** The Committee shall operate under the guidance, control and supervision of the Board with terms of reference defined by the Board from time to time.

4.3 Meeting: The Committee shall meet two or more times in a year in each financial year to discuss the evaluation of sustainability agenda, detailed action plan, status of CSR Projects/Programs/activities, CSR spend, matters mentioned in terms of reference and other related matters. The Committee Members may attend the meeting physically or through video conferencing or audio visual as permitted under Act 2013 and Rules made there under. The quorum of the Committee meeting shall be one third of the total strength of the Committee or two directors, whichever is higher. The resolutions of the Committee shall be passed with votes casted in favour is more than votes casted against. The Chairman of the Committee shall have a casting vote. The Company Secretary or any executive of the Secretarial Department of the Company shall act as secretary to the Committee.

5. Corporate Social Responsibility Purpose Statement

The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their well-being. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. While we will undertake programme based on the identified needs of the community, education and healthcare shall remain our priority.

6. Scope

This policy will apply to all projects / programmes undertaken as part the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. In case of natural calamities, the Company may take necessary steps for providing basic amenities and health care facilities in order to help the families affected by such calamities. CSR target groups, issues, sector and geographical region shall be decided by the Committee. In order to select/execute the CSR activity, the Committee may take necessary inputs from CSR Partners, CSR Agent, any Consultant or Advisor. The policy will maintain, at all times, compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 and the rules framed thereunder.

7. CSR Spend

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013, as amended from time to time.

Tax treatment of CSR expenditure will be in accordance with the Income Tax Act, 1961.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company and it shall further be utilized for the CSR activities.

8. Implementation

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The Company shall implement its CSR programmes/projects:

- (i) directly by the Company
- (ii) through Registered Trust
- (iii) through Registered Society
- (iv) through an entity incorporated under section 8 of the Act 2013
- (v) by M/s Shriram foundation ,
- (vi) by Shriram Group

(All the above modalities referred above except “direct” are together (referred as “CSR Agents”).

The CSR Agents may or may not be established by the Company or Shriram Group. CSR activities may be implemented through an entity not established by the Company or Shriram Group or may be implemented by collaborating with other company (ies) in a manner decided by CSR Committees of respective companies in accordance with the Rule 2014.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners. On satisfactory due diligence, the Committee shall select CSR Partner/ Agent.

The Committee shall carry out a due diligence of the CSR Partner/Agent (not established by the Company or Shriram Group) with respect to their identity (including permanent office/address in India and valid Income-Tax Exemption Certificate), competence for implementation, management, accountability, financial capability, transparency, requisite system to assess/report the progress/status of project at least half yearly and maintenance of required auditable records ,relevant track record of last 3 years. On satisfactory due diligence, the Committee shall select CSR Partner / Agent.

When CSR Activities are implemented with facilitation of CSR Partner(s) /Agent(s) not established by the Company or Shriram Group, the CSR projects / programs to be undertaken by such entities for utilizing funds provided by the Company shall be specified and a monitoring and reporting mechanism shall be set up to ensure that the allocated fund is spent for the specified purposes only.

When CSR Activities are carried on directly by the Company, a team of persons headed by a person having experience in the field of CSR or in related field shall be set up in the Company and necessary infrastructure including system shall be provided to the team. The team shall work under guidance of the Committee.

After selection of the CSR Project/Program/Activity and the modality of implementation, an agreement or

memorandum of understanding (MOU) duly approved by the Committee shall be entered into with CSR

Agent/Partner by specifying among other things defined activities, monitorable targets/mile stones, budgets and the matters specified in the Annexure-1 below. In case the modality selected for implementation is directly by the Company, then the head of such CSR Team of the Company shall get the statement of intent with the details mentioned in the Annexure-1 approved by the Committee.

9. CSR Programmes / Projects

The Company would be adopting a focused and a structured approach towards implementing its CSR initiatives. It has identified broad programme areas with focus on quality service delivery and empowerment.

The programme areas are:

- (i) eradicating extreme hunger and poverty;
- (ii) promotion of education;
- (iii) promoting gender equality and empowering women;
- (iv) reducing child mortality and improving maternal health;
- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) employment enhancing vocational skills;
- (viii) social business projects;
- (ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (x) such other matters as may be prescribed.

10. Monitoring and Reporting

The CSR Committee will oversee the implementation and monitoring of all CSR projects/ programmes and periodic reports shall be provided for review to the Board.

The Company will institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project / programme has:

- a) The CSR policy of the Company shall be displayed in the website of the Company.
- b) Clear objectives developed out of the societal needs that may be determined through need

- assessment studies and research (secondary or primary);
- c) Clear targets, time lines and measureable indicators, wherever possible;
- d) A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the CSR Rules.
- e) The Boards Report under Section 134 (3) of the Act 2013 shall disclose the Composition of the Committee, shall give web link to the website of the Company, where the CSR policy is displayed and the reasons for the Company's failure to spend such amount on CSR as specified under the Act 2013 and Rule 2014.

11. Amendments

The policy shall shall automatically stand amended to the provisions of the Law or Rule in case of any conflict of the Policy with the Law or Rule. It can also be amended by the Committee with the approval of the Board.

SHRIRAM HOUSING FINANCE LIMITED
CSR PROJECT / PROGRAMMEE/ACTIVITY DETAILS
NECESSARY THINGS TO BE INCORPORATED IN THE AGREEMENT

1. Name of CSR Project / Program / Activity
2. Sector in which CSR Activity falls
3. Location of the CSR Project / Program / Activity
4. CSR Project/ Program / Activity location (District, State)
5. Budgeted outlay Amount
6. Implemented directly or through CSR Agent / Partner
7. Name of the CSR Agent / Partner implementing / implemented
8. Date of commencement
9. Date of completion / Implementation Schedule
10. Disbursement Schedule
11. Periodicity of information of the progress
12. Name, email id, mobile number of the contact person