



DMI HOUSING FINANCE

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
OF
DMI HOUSING FINANCE PRIVATE LIMITED**

1. **PREAMBLE:**

Ministry of Corporate Affairs ('MCA') has issued guidelines on Corporate Social Responsibility under Section 135 of Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy), Rules 2014 as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("**CSR Rules**") to companies meeting certain criteria.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy.

2. **APPLICABILITY OF THE CORPORATE SOCIAL RESPONSIBILITY POLICY ("POLICY"):**

In India, the concept of CSR is governed by Section 135 of the Companies Act, 2013, which became applicable w.e.f April 01, 2014.

The CSR provisions within the Act is applicable to companies:

- a. having net worth of rupees five hundred crore or more, or
- b. turnover of rupees one thousand crore or more or
- c. a net profit of rupees five crore or more during any financial year

During the immediately preceding financial year

DMI Housing Finance Private Limited ("DMI Housing/the Company") falling within the ambit of the above-mentioned clauses needs to comply with the said section and rules related to CSR.

3. **DEFINITIONS:**

- a. "**Act**" means Companies Act, 2013 and rules framed therein.
 - b. "**Administrative overheads**" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- "

- c. **“Board”** means Board of Directors of the Company
- d. **“Company”** means DMI Housing Finance Private Limited
- e. **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - 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;
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefit for its products or services;
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- f. **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- g. **“CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- h. **“Directors”** means individual Director or Directors on the Board of the Company.
- i. **“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.
- j. **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment 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.

4. ROLE OF BOARD OF DIRECTORS:

- a) The Board of Directors of DMI Housing will after considering the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report, if any, in such manner as prescribed in **Annexure-I** and also place it on the Company's website in a manner prescribed; and ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company.
- b) The Board of a Company 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 or the

- person responsible for financial management shall certify to the effect.
- Approve the annual action plan of CSR as recommended by CSR Committee. Further, the Board may alter the said action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
 - The Board shall ensure that the CSR activities and CSR expenditure are undertaken as per Sec 135 read with relevant rules as amended from time to time.
 - The Board shall monitor the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.
 - The Board of Directors are required to disclose the reasons if the amount allocated for CSR activities are not spent during a financial year in the Board's Report.

5. CSR COMMITTEE:

DMI Housing shall constitute a Corporate Social Responsibility (CSR) Committee of the Board as per details mentioned below:

Name of Committee	Responsibilities	Composition of CSR Committee
Corporate Social Responsibility (CSR) Committee	<ol style="list-style-type: none"> Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company including the activities as specified in Schedule VII of Companies, Act 2013. Approve the implementing agency as per the eligibility criteria mentioned in Sec 135 of Companies Act 2013 and relevant rules as amended from time to time. Recommend the manner of execution of such projects or programmes. Recommend the modalities of utilisation of funds and implementation schedules for the projects or programmes. Monitoring and reporting mechanism for the projects or programmes. 	<p>Members:</p> <ul style="list-style-type: none"> Mr. Yuvraja Chanakya Singh (Chairperson) Mr. Alfred Mendoza Mr. Gaurav Burman Mr. Rajul Bhargava Ms. Poonam Chauhan <p>Quorum: Minimum 1/3rd or 2 whichever is higher.</p>

6. CSR ACTIVITIES:

Activities to be undertaken by the CSR committee as per Schedule VII of Companies Act, 2013 as amended from time to time. Below mentioned is the illustrative list of Schedule VII:

- Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
 - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
 - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care center and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
 - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga
 - 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.
 - Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows
 - Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
 - 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.
 - Contributions 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.
 - Contributions to public funded Universities as prescribed, engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
 - Rural development projects.
 - Slum area development.
 - Disaster management, including relief, rehabilitation and reconstruction activities
- a. The Board of Directors of DMI Housing may take up the above-mentioned activities through the following manner:
- 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, established by the Company, either singly or along with any other Company, or
 - 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.
 - 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
 - any entity established under an Act of Parliament or a State legislature; or
- b. CSR committee shall review the status of the CSR activities every half year and report the same to the Board for their review.

7. APPROACH TO IMPEMENTATION:

The Company shall strive to implement the CSR activities on its own or through partnership with other agencies in accordance with the guidelines prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

8. CSR EXPENDITURE:

The Board shall ensure that the Company spends, in every financial year, at least **two per cent of the “Average Net Profits” of the Company made during the three immediately preceding financial years**, in pursuance of its Corporate Social Responsibility Policy.

- 1) The Company will give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- 2) The CSR expenditure be done in India only except for training of Indian sports personnel representing any State or Union territory at national level or India at international level can be done outside India.
- 3) Administrative overheads shall not exceed 5% of total CSR expenditure for the financial year
- 4) Any surplus arising out of CSR Project-
 - shall not form part of the business profit; and
 - shall be ploughed back into the same project; or
 - shall be transferred to the Unspent CSR Account within 1 month of end of FY and spent as per CSR Policy and annual action plan
 - shall be transferred to Fund specified in Schedule VII, within 6 months of end of FY
- 5) If a Company spends on CSR in excess of the requirement, such excess amount may be set-off against the requirement of the CSR Spending u/s 135(5) up to the immediate succeeding 3 financial years subject to condition that-
 - 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.
 - the Board of the Company shall pass a resolution to that effect

9. CSR REPORTING AND MONITORING:

- The Company shall annex with its Board Report an annual report on CSR in the prescribed format (Refer Annexure I).
- If the company fails to spend the amount earmarked for CSR as per sub-section (5) of section 135, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.
- Every Company having average CSR obligation of Rs. 10 Crores or more in the 3

immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore or more and which have been completed not less than one year before undertaking the impact study.

- The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- Impact assessment expenditure for a financial year shall not exceed 5% of the total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is less.
- The Company shall furnish a report on Corporate Social Responsibility in **Form CSR-2** as provided under Companies Act, 2013 to the Registrar as an addendum to Form AOC-4 XBRL from financial year 2020-2021 onwards.

• **DISPLAY OF CSR ACTIVITIES ON WEBSITE:**

The Company will display on its website:

- a. Projects approved by the Board;
- b. Composition of CSR committee; and
- c. CSR Policy.

10. REVIEW OF THE POLICY:

The Policy shall be amended or modified with approval of the Board on the recommendation of the Corporate Social Responsibility Committee. The Policy shall be reviewed by the Board as and when necessary. Consequent upon any amendments in the Act or CSR Rules or any change in the position of the Company, the necessary changes in this Policy shall be incorporated and approved by the Board on the recommendation of the Corporate Social Responsibility Committee.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this policy.

Annexure-I

Format for the Annual Report on CSR Activities to be included in Board's Report

1. Brief outline on CSR Policy of the Company:
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.
5.
 - (a) Average net profit of the company as per sub-section (5) of section 135.
 - (b) Two percent of average net profit of the company as per sub section (5) of section 135.
 - (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.
 - (d) Amount required to be set-off for the financial year, if any.
 - (e) Total CSR obligation for the financial year [(b)+(c)-(d)].
6.
 - (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).
 - (b) Amount spent in Administrative Overheads.
 - (c) Amount spent on Impact Assessment, if applicable.
 - (d) Total amount spent for the Financial Year [(a)+(b)+(c)].
 - (e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

--	--	--	--	--	--

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred To Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount In Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, If any
					Amount (in Rs)	Date of Transfer		
1	FY-1							
2	FY- 2							
3	FY- 3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☐ No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creati on	Amount ofCSR amount spent	Details of entity/ Authority/ beneficiary ofthe registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registra tionon Numbe r,if applicab le	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135.

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380] (Wherever applicable).”.
---	---	---
