

Au HOUSING FINANCE LIMITED CSR Policy
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 1. CSR refers to Corporate Social Responsibility
 2. Au means Au Housing Finance Limited
 3. Work Centre refers to NGO/Trust/Company/Institution where Company has contributed funds for carrying its CSR objectives under its CSR Policy.

CONCEPT:**SHORT TITLE & APPLICABILITY:**

- 1.1.1 This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the 'Au Housing CSR Policy'.
- 1.1.2 This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently able persons.

1.2. CSR VISION STATEMENT & OBJECTIVE:

- 1.2.1. In alignment with vision of the company, Au Housing , through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.
- 1.2.2. The objective of the CSR Policy is to:
- Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
 - To directly or indirectly take up programmes that benefit the communities in & around its work- centres and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
 - To generate, through its CSR initiatives, a community goodwill for Au Housing and help reinforce a positive & socially responsible image of Au Housing as a corporate entity.
 - We believe that the wealth that one generates and holds, is to be held as in a trust for our multiple stakeholders. With regard to CSR, this means investing part of our profits beyond business, for the larger good of society.
 - To pursue a corporate strategy that enables realisation of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner.
 - To collaborate with communities and institutions to contribute to the national mission of eradicating poverty and hunger, especially in rural areas, through knowledge sharing, empowering women economically, supplementing primary education and participating in rural capacity building programmes and such other initiatives.

2. RESOURCES**2.1. Funding & Allocation:**

2.1.1. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, Au Housing will allocate 2% of the average net profits of the company made during the three immediately preceding financial years, as its Annual CSR Budget.

CSR expenditure shall include **all** expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

2.1.2. From the annual CSR Budget allocation, a provision will be made towards the following expenditure heads, on a year on year basis:

2.1.2(a) Au Housing as responsible Corporate Citizen shall contribute in the following activities:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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 centres 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.
- 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.
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- contribution to the Prime Minister's National Relief 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 or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.
- Swachh Bharat Abhiyan
- Clean River Ganga Project

2.1.3. Any unspent/unutilised CSR allocation of a particular year, will be carried forward to the following year, i.e., the CSR budget will be non-lapsable in nature.

3. PLANNING

3.1. Identification of Thrust Areas and Strategic Initiatives:

3.1.1. For purposes of focusing its CSR efforts in a continued and effective manner, the following Thrust Areas have been identified:

1. Employment Generation
2. Rural Area Development
3. Healthcare/ Medical facility through investment in funds.
4. Community Development
5. Education/Literacy Enhancement through investment in Government and private funds.
6. Women empowerment
7. Environment protection
8. Protection of natural and manmade heritage
9. Promotion of sports activity
10. Contribution to funds set up by the central government
11. Rural development projects
12. Technology promotion and up-gradation.
13. Save drinking water

4. CONSTITUTION & RESPONSIBILITIES OF CSR COMMITTEE

1. The company has duly constituted CSR committee comprising of 3 Directors in compliance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.
2. The initial composition of the committee which may be changed or varied in the future, if required. Following shall be Initial Composition of Team/subcommittee for CSR Activities:
 1. Mr. Ghanshyam Rawat
 2. Mr. Ashutosh Atre
 3. Mr. Mukesh Agarwal

Secretary:

Company Secretary shall be the secretary of Committee.

Quorum:

The quorum necessary for the transaction of business agenda at the meeting of committee shall be two Members. A duly convened meeting of the 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 Committee.

Meetings:

The Committee shall meet not less than twice a year and at such other times as the Chairman of the Committee shall require.

Duties:

As per sub section (3) of section 135 of the Companies Act, 2013, the duty of the committee shall be as follows;

- Recommend the amount of expenditure to be incurred on such activities.
- Monitor the CSR Policy of the company from time to time.
- Based on the recommendations of the CSR Committee, the Board to approve the CSR Policy for the company and ensure that the activities as included in CSR Policy are undertaken by the company.

5. IMPLEMENTATION:

- 5.1. CSR programmes will be undertaken to the best possible extent within the defined ambit of the identified 'Thrust Areas'
- 5.2. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- 5.3. Company shall synergize its efforts with the State Governments, District Administration, Local Administration as well as Central Government departments, Agencies, Fund managers, organisations, etc., for fulfilling its corporate social responsibility, if required.
- 5.4. Project activities identified under CSR are to be implemented by specialized agencies, which could include - Voluntary Organizations (VOs) formal or informal Elected local bodies, Institutes/Academic Institutions, Trusts, Govt/Semi Govt./Autonomous organisations, Professional Consultancy organization etc.

5.5 The process for implementation of CSR programmes will involve the following steps:

- 5.5.1 Identification of programmes at Corporate and work centre level will be done by means of the following:
 - The Board may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise.
 - The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.
 - Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
 - According to the proviso to sub section (5) of Section 135, the company shall give

preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

- The Board after taking into account 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 **Director's report** and also place it on the company's website and shall ensure that the activities as are included in CSR Policy of the company are undertaken by the company.

5.5.2 Area of CSR activities: Au Housing shall strive to focus that its CSR Activities are concentrated in nearby areas where business operation of Au Housing is carried at H.O. or Branch level.

5.5.3 Project based approach: Organisation will follow a project based accountability approach to stress on the long term sustainability of CSR projects, where its action plan will be distinguished as 'Short-term', Middle-Term & Long Term; qualified as

- Short Term – 6 months to 1 year
- Medium Term – 1 year to 2 years
- Long Term – 2 year and above

CSR REPORTING AND DISCLOSURE:

- a. The Sub Committee shall prepare a note on progress of programmes already initiated or update on proposed programmes for CSR activities of the Company and present to CSR Committee at regular interval.
- b. The Board's Report of a company pertaining to a financial year shall include an annual report on CSR containing particulars specified in **Annexure given below**.
- c. The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same **shall** be displayed on the company's website.

ANNEXURE

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overhead s.	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							

2							
3							
	TOTAL						

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

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 of the Act) (wherever applicable)
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1. The company/committee reserves the right to change the composition of sub-committee/team if required at any point of time.
2. Team Members shall make a report on CSR activities carried out on annual basis to CSR Committee.
3. CSR Committee shall present an annual report to Board for incorporating the same in Board of Directors Report.

5.6 Powers for approval

5.6.1.CSR programmes as recommended by CSR committee to the Board at start of each financial year and be approved by Board and if such activity is falling within any activity as mentioned in clause 2.1.2(a) above then CSR Committee shall take decision and get the those programme/contribution executed through sub-committee as mentioned above.

5.6.2. For meeting the requirements arising out of immediate & urgent situations, WTD/CEO is authorised to approve proposals on the basis of the recommendation accorded to him by the CSR Sub Committee.

5.7 Executing agency/Partners:

- Au will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also benefit the stakeholders and the community for which those programmes are intended.
- The Board may decide to undertake its CSR activities approved by the CSR Committee, through
 - a. Registered trust Or
 - b. Registered society Or
 - c. Company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise.
 - d. Through direct Contribution
- Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

5.8 Agreement between Au & Executing agency:

5.8.1. Once the programmes approved by the CSR Committee of the Board, if required, any of Senior team members above shall enter into an agreement with Executing Agency/Implementing Agency of CSR Programmes.

6. MONITORING AND FEEDBACK

- 6.1. To ensure effective implementation of the CSR programmes undertaken at work centre, a monitoring mechanism will be put in place by the committee/sub-committee.
- 6.2 Appropriate documentation of the Au CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be reported.

7. GENERAL

- 7.1. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the board. In all such matters, the interpretation & decision of the Director (HR)/Head of HR shall be final.
- 7.2. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.
- 7.3. The company can incur expenses upto total expenditure incurred for staff employees who are involved into CSR.

Reviewed and Updated By Board of Directors

: 26th October, 2016