



**Corporate Social Responsibility Policy**

**(Approved by the Board on 26<sup>th</sup> December 2024)**

<b>Version</b>	<b>Authority</b>	<b>Date of Approval</b>
V.1	Board	26.12.2024

## 1. Introduction

Nivara Home Finance Limited (hereinafter referred to as “**the Company**”) is an unlisted Public Company incorporated under the provisions of the Companies Act, 2013 and registered as a Housing Finance Company (“HFC”) with the National Housing Bank (“NHB”). Pursuant to the Section 135 of the Companies Act, 2013 & rules made thereunder and to discharge responsibilities as a Good Corporate Citizen, the Company frames this policy (hereinafter called as “CSR Policy”) to lay down the guidelines and mechanism for undertaking Corporate Social responsibility with an intent to make a positive difference and contribute for betterment of society. The Company, through its CSR projects shall undertake social, economic and environmental useful programmes for welfare & sustainable development of the community at large.

## 2. Applicability

As per Section 135 of the Companies Act, 2013 (“Act”) and The Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”), every Company having Net worth of Rs. 500 crore or more, or Turnover of Rs. 1000 crore or more, or a Net profit of Rs. 5 crore or more during the immediately preceding financial year, shall have CSR Committee of the Board, adopt a CSR Policy, and draw out a framework for undertaking CSR activities laid out under the said Act.

In accordance with the said provisions of the Act and Rules made thereunder, Since the Company qualifies the net profit criteria during the immediate preceding financial year, it is required to formulate and adopt CSR Policy.

## 3. Definitions

3.1. **Act 2013:** Companies Act 2013 as amended from time to time

3.2. **Board:** Board of Directors of the Company

3.3. **Company:** Nivara Home Finance Limited

3.4. **Corporate Social Responsibility (“CSR”):** Corporate Social Responsibility is 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 Companies (Corporate Social Responsibility Policy) Rules, 2014 but shall not include the following, namely:-

i. activities undertaken in pursuance of normal course of business of the company:

*Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-*

- a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
- 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;

**3.5. Corporate Social Responsibility Committee (“CSR Committee”):** A Committee constituted/re-constituted by the Board as referred to in Section 135 of the Act 2013

**3.6. 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;

**3.7. Policy:** Corporate Social Responsibility Policy of the Company 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.

**3.8. Rules:** shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

**3.9. 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;*

**3.10. 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.

**3.11. Unspent CSR Account:** means an account opened by the Company with a scheduled commercial bank in terms of section 135(5) of the Act and to be called the Unspent Corporate Social Responsibility Account;

*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.*

#### **4. Overview**

Corporate Social Responsibility, extends beyond profit-centric operations, encompassing initiatives that contribute to societal, economic, and environmental well-being. This commitment involves stakeholders ranging from employees and communities to customers and the environment, positioning companies as responsible global citizens.

#### **5. CSR Committee and Board of Directors**

In compliance with section 135 of the Act read with CSR Rules, the CSR Committee should constitute of at least 3 (Three) Directors, out of which at least 1 (One) director shall be an independent director. Provided that, under Section 135(9) of the Act, if amount to be spent by the Company does not exceed Rs. 50 Lacs

(Rupees Fifty Lacs Only) then constitution of CSR Committee is not applicable and the functions of the CSR Committee may be discharged by the Board of Directors of the Company.

**Secretary:** Company Secretary of the Company shall be the secretary of the CSR Committee.

**Quorum:** The quorum necessary for the transaction of the business agenda at the meeting of the CSR Committee shall be 2 (Two) Members only. 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 CSR Committee.

**Meetings:** The CSR Committee shall meet at least once in a year and at such other times as the Chairman of the Committee shall require.

#### **Role & responsibilities**

- a) To formulate and recommend to the Board the Corporate Social Responsibility policy which shall include the activities to be undertaken by the Company as detailed in Schedule VII of the Companies Act, 2013.
- b) To recommend the amount of expenditure to be incurred towards CSR activities.
- c) To monitor CSR Policy periodically.
- d) To formulate and recommend to the Board, an annual action plan of Corporate Social Responsibility which shall include the following:
  - i. the list of CSR projects or programmes approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - ii. the manner of execution of such projects or programmes as specified in Rule 4(1) of the CSR Rules;
  - iii. the modalities of utilization of funds and implementation schedules for the projects or programmes
  - iv. monitoring and reporting mechanism for the projects or programmes
  - v. details of need and impact assessment, if any, for the projects undertaken by the company
- e) The CSR Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.

#### **6. Duties of Board**

- (a) The Board shall approve the CSR Policy, based on the recommendation of the CSR Committee.
- (b) Ensure the implementation of this Policy and monitoring of CSR expenditures which is at least 2% (Two Percent) of the average net profit of the preceding 3 (Three) financial years in accordance with Section 135 of the Act.
- (c) Obtain a certificate from Chief Financial Officer that the amount spent on CSR has been utilized for the purpose and in the manner approved by Board.
- (d) Disclose the Composition of CSR Committee, contents of the CSR policy, an Annual Report on CSR and reasons of failure for not spending the required CSR amount in the Board's Report
- (e) The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- (f) Approval of allocation and reallocation of the funds in projects on recommendation of CSR Committee whenever required.

**7. CSR Activities:** As defined in Paragraph 3.4 of the policy, the Company shall undertake to carry one or more CSR Activities as listed in Schedule VII of the Companies Act, 2013 (**annexure A**) as amended from time to time.

#### **8. Implementation of CSR Activities**

The Annual budget towards CSR obligation shall be approved by the Board on recommendation of the CSR Committee of the Company, if constituted. The Company may undertake its CSR activities either directly or through a registered trust or a registered society or a company established under section 8 of the Companies Act, 2013 or even may choose to collaborate with other companies for undertaking projects or programs or CSR activities in accordance with CSR Rules and amendments thereto.

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

#### **9. CSR Expenditure and Unspent Amount**

9.1 Company is required to spend, in every financial year, at least 2% (two percent) of the average net profits of the company made during the 3 (three) immediately preceding financial years on CSR activities. Any expenditure incurred on the CSR Programmes or activities undertaken only in India shall qualify as CSR expenditure.

9.2. The board shall ensure that the "administrative overheads" shall not exceed 5% (five percent) of total CSR expenditure of the company for the financial year.

9.3. In case the Company spends excess amount towards CSR Activities, the company may set-off against the requirement to spend up to immediate succeeding 3 (three) financial years subject to the following conditions:

- (i) Approval of Board to give effect to this resolution
- (ii) the excess amount available for set off shall not include the surplus arising out of the CSR activities

Further, any surplus arising out of the CSR activities shall not form part of the business profit 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 (6) months of the expiry of the financial year.

If the Company fails to spend such prescribed CSR amount in any financial year, the Company shall specify the reasons for not spending such amount in its Board's Report. For any unspent amount remaining against the prescribed CSR amount towards a project other than the Ongoing Project, the same shall be transferred to a Fund specified in Schedule VII, within a period of six (6) months of the expiry of the financial year.

Any amount remaining unspent pursuant to any Ongoing Project undertaken by the Company, shall be transferred by the Company within a period of thirty(30) days from the end of the financial year to the Unspent CSR Account, and such amount shall be spent by the Company in pursuance of its obligation towards the CSR 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.

#### **10. Monitoring & Reporting of CSR**

The CSR Committee shall oversee the implementation and monitoring of all CSR Projects/programmes/activities and shall forward a report to the Board annually or periodically as and when necessary.

In case of an Ongoing Project, the Board of Directors of the Company shall monitor the implementation of the same 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.

If constitution of CSR committee is not applicable as the budget does not exceed Rs. 50 Lacs, then monitoring of CSR programme/activities shall be undertaken by the Board on periodic intervals.

The Board's Report of the company shall include an annual report on CSR containing particulars as specified in the Act and Rules.

#### **11. Penalty:**

If the Company is in default in complying with the provisions of section 135(5) or 135(6) of the Act, the Company shall be liable to a penalty of twice the amount required to be transferred by the Company to the Fund specified in Schedule VII or the Unspent CSR Account, as the case may be, or Rs. 1 crore, whichever is

less, and every officer of the Company who is in default shall be liable to a penalty of 1/10th of the amount required to be transferred by the Company to such Fund specified in Schedule VII, or the Unspent CSR Account, as the case may be, or Rs. 2 lakh, whichever is less

## **Annexure – A**

### **CSR Activities:**

(i) Eradicating hunger, poverty and malnutrition, promoting health care including 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.

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) 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.

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

(v) 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 art and handicrafts;

(vi) 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

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sport.

(viii) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution 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; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects

(xi) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.