

*CORPORATE SOCIAL
RESPONSIBILITY
POLICY (CSR)*

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INTRODUCTION

Corporate bodies' involvement in Corporate Social Responsibility (CSR) activities is not a new concept in India. Industrial majors are engaged in social development activities since long back. However, the Companies Act, 2013 (Act) has brought it under the legal purview. The concept of CSR is introduced through "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "the CSR Rules") lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act.

ART Housing Finance (India) Limited ("AHFL" or 'the Company') in its journey has built a sustainable business model and created value for its stake holders. As the Company emerges as a matured organisation, apart from its endeavour to serve the Customers, AHFL will have a focused approach towards contributing to the society at large.

The Company have an obligation to the society and is committed towards social responsibilities in a meaningful manner. AHFL shall be responsive, imaginative and sensitive to the social needs in the same manner in which it treats its customers, business associates, shareholders and employees.

SCOPE AND OBJECTIVE

The purpose of this policy document is to make the stakeholders aware about:

1. CSR and activities conducted therein by the Company
2. Associated practices of CSR
3. Focus areas of CSR

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of any eligible Company (i.e. companies meeting the requirements of Section 135 of the Act) shall, after taking into account the recommendations of the CSR Committee, approve the CSR Policy for the Company and disclose the contents of such policy in its Report and disclose the same on the website of the Company.

CSR FRAMEWORK

As per section 135 of the Companies Act 2013, the eligible Company shall constitute a Committee by the name “**CSR Committee**” comprising of three directors, out of which at least one of whom shall be an Independent Director.

The terms of reference of the CSR Committee shall include the following:

- a.) To frame and recommend to the Board of Directors, a CSR Policy, which shall indicate the activities to be undertaken by the Company towards corporate social responsibilities. Further, for avoidance of doubt, the CSR Committee may adopt this Policy document mutatis mutandis, or with such modifications, alterations or revisions as it may deem fit, as the CSR Policy for its purpose.
- b.) To formulate and recommend to the Board an annual action plan in pursuance of its, CSR policy in compliance with Section 135 of the Companies Act, 2013.
- c.) To identify the activities to be undertaken in areas or subject specified in Schedule VII of the Companies Act, 2013.
- d.) To recommend the amount of expenditure to be incurred on the activities specified and the modalities of utilization of funds and implementation schedule for the projects/ programmes.
- e.) To establish a monitoring and reporting mechanism so as to monitor the progress of the CSR activities.
- f.) To monitor the implementation of the CSR Policy through periodic reviews of the CSR activities from time to time.
- g.) Such other functions as the Board may deem fit.

FOCUS AREAS FOR CSR INITIATIVES

The CSR initiatives recommended to be undertaken by the Company shall be as per section 135 and schedule VII of Companies Act, 2013, but shall not be limited to the following.

1. Eradicating Hunger, Poverty and Malnutrition: Promoting health care including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
2. Education: Promoting education for economically weaker section / migratory construction site workers and their children, women and differently abled and livelihood enhancement projects; monetary and material contributions to academic institutions promoting education for the underprivileged, with an aim of assisting students in their studies.

3. Gender Equality: 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.
4. Environmental Sustainability: Ensuring and encouraging environmental sustainability projects; encourage usage of environmental friendly alternate sources of energy and power. Protection of flora and fauna and animal welfare including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
5. National Heritage, Art and Culture: Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and work of art. Participate and contribute towards activities promoting and developing traditional art and handicrafts.
6. Promote Sports: Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
7. Promoting Sustainable Development Goals:

a.) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or PSU or any agency of Central/ State Government; or

- b.) Contribution to 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)

Others: In case of any natural calamity/ disaster contribute towards Prime Minister relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any specific fund maintained by Central/state Government of India, measures for welfare and benefit of armed forces veterans, war widows and their dependents, Contribution to rural development project and slum area developments.

FUNDING AND IMPLEMENTATION

- a) Pursuant to the provisions of the Act, 2% of the average net profit of an eligible Company for the last 3 financial years is required to be allocated towards CSR activities. From the annual CSR Budget, provision will be made towards the CSR activities on a year-on-year basis.
- b) AHFL shall ensure monitoring, coordination and supervision of the agency, if any, entrusted with the responsibility for implementation of the project.
- c) All approved CSR projects are to be implemented in accordance with the timeline prescribed by the CSR Committees.
- d) For implementation of in-house projects, the pertinent policies of the Company related to works and purchases are to be followed in general.

OPERATIONAL FRAMEWORK

The Board of the Company is empowered to decide to undertake 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.

The Board of the Company is empowered to decide to undertake CSR activities approved by the CSR Committee:

1. Through a registered trust or a registered society or a company established under section 8 of the Act:
 - By the company, either singly or along with any other company; or
 - By the Central Government or State Government
2. Any entity established under an Act of Parliament or a State legislature to undertake the activities covered under Schedule VII of the Act
3. Through a registered trust or a registered society or a company established under section 8 of the Act having an established track record of at least three years in undertaking similar activities.

MONITORING AND REPORTING

The following instructions are to be followed for monitoring and implementation of CSR activities:

- a) Monitoring of CSR projects are absolutely essential.
- b) For all CSR projects/ activities, close Supervision & Monitoring shall be done by the CSR Committee. The Management should therefore provide MIS in the prescribed format and place before the CSR Executive Committee formed for this purpose and review every quarter.
- c) After completion of the Project, a detailed Project Completion report must be prepared by the implementing agency in consultation with the Company

Management, and a copy of the same must be made available to the Board of Directors along with Photographs and Audio/Visual presentations (Progress based)

- d) The physical status should include photographs (preferably before and after completion of the project) with appropriate branding of the Company's CSR initiative including Company logo, name, etc. displayed in the background.
- e) With a view to derive the optimum mileage/visibility of the various CSR endeavours, appropriate and adequate measures shall be taken using all existent communication tools/media to project the company's contributions.

INFORMATION DISSEMINATION

This CSR policy of the Company shall be hosted on the official website of the Company. The disclosures shall also include the composition of CSR Committee and the CSR Projects approved by the Board.

This will also be included in the Boards' Report to the Shareholders under section 134(3) of the Companies Act, 2013.

Our Corporate Social Responsibility policy conforms to the Corporate Social Responsibility as prescribed under the Companies Act, 2013 and rules framed thereunder.

Annexure -I

Format for the Annual Report on CSR Activities to be Included in the Board's Report for Financial Year Commencing on or After 1st Day of April, 2020

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 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 details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	Total		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) 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 section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.

1.								
2.								
3.								
	Total							

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(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)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.

						Year (in Rs).		
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

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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