

APTUS VALUE HOUSING FINANCE INDIA LIMITED

Corporate Social Responsibility Policy

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Initial	1.0	Chairman & Managing Director	Board of Directors	29-Jan-2015
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1. Introduction

Corporate Social Responsibility ("CSR") remains an integral part of the business philosophy and long term objective of Aptus Value Housing Finance India Limited (hereinafter mentioned as "Aptus" or "the Company"). The CSR initiatives of the Company are designed to foster sustainable development and uplift underserved sections of society.

2. Scope & Applicability

This CSR Policy will act as 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 action plan.

This policy applies to all CSR initiatives and activities undertaken at various locations by the Company.

3. Objectives

The objective of the Company's Corporate Social Responsibility (CSR) Policy is to drive inclusive growth and community empowerment through focused and impactful interventions across its core priority areas, viz. education, healthcare, skill development, social welfare and rural development.

The Company is committed to fostering sustainable development by implementing initiatives that uplift underserved and marginalized sections of society. Through a strategic and structured approach, the Company seeks to create long-term social value and measurable outcomes for the communities it serves.

4. CSR Governance

i) Role of the Board

- a) The Board shall approve the CSR Policy of the Company, taking into account the recommendations of the CSR Committee.
- b) Ensure that the CSR activities are undertaken by the Company in accordance with the approved CSR Policy.
- c) Ensure that the Company spends at least 2% of its average net profit for the past three financial years on CSR activities, as mandated by the Companies Act, 2013.
- d) Ensure that the CSR Policy and details of approved CSR projects are displayed on the Company's official website.

- e) Ensure that impact assessments of CSR projects are carried out where mandated and that the findings are considered for future CSR planning.
- f) Ensure that any unspent CSR amount is transferred to the specified funds or accounts within the prescribed timelines, in compliance with applicable laws.

ii) **CSR Committee**

The Company shall constitute a CSR Committee comprising of at least three Directors, including at least one Independent Director.

The committee shall meet at least once in a year and as and when deemed necessary by the Chairman of the Committee.

The CSR committee will formulate and recommend to the Board, an annual action plan in pursuance of this Policy, which will include the following:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- b) the manner of execution of such projects or programmes as specified in Rule 4(1) of The Companies (Corporate Social Responsibility Policy) Rules, 2014;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company;

5. Selection of CSR activities

CSR activities of the Company shall align with Schedule VII of the Companies Act, 2013. While implementing CSR projects and spending the funds earmarked for CSR, the Company shall give preference to local areas and the regions surrounding its branches. The Company may spend its CSR funds for any of the following activities:

- a) Eradicating Hunger poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) 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;
- d) 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 setup by the Central Government for rejuvenation of river Ganga;
- e) 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;
- f) Measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- g) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- h) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central 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 Schedule Tribes, other backward classes, minorities and women;
- i) 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 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).

- j) Rural development projects.
- k) 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.
- l) Disaster management, including relief, rehabilitation and reconstruction activities.

The following activities shall not be considered as CSR expenditure:

- a) Activities undertaken in the normal course of business.
- b) Contributions to political parties.
- c) Activities exclusively benefiting Company's employees and their families.
- d) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- e) Projects outside India (except for training of Indian sports personnel representing any State or Union territory at national level or India at international level).
- f) Activities carried out for fulfilment of any statutory obligations under any law in force in India.

6. CSR Expenditure & Reporting

As per clause 135 of the Companies Act, 2013 ("Act"), the Company shall spend a minimum of 2% of average net profit of the preceding 3 financial years for CSR activities.

The Board of Directors shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year. 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 transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

Where the company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Companies Act, 2013 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135, Companies Act, 2013 up to immediate succeeding three financial years subject to the conditions that –

- i. 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 the Companies (Corporate Social Responsibility Policy) Rules, 2014
- ii. the Board of the company shall pass a resolution to that effect.

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

- i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- iii. a public authority

7. Unspent CSR funds

Any amount remaining unspent pursuant to any ongoing project shall be transferred within a period of 30 days from the end of the financial year to a special account called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 financial years from the date of such transfer, failing which the amount remaining unspent at the end of the 3 financial years in 'Unspent Corporate Social Responsibility Account' shall be transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of 30 days from the date of completion of the third financial year. Unspent CSR amount other than the amounts related to ongoing projects, shall be transferred to a Fund specified in Schedule VII within a period of 6 months of the expiry of the financial year.

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.

In case of ongoing projects, the Board shall monitor the implementation of the project 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.

The budget outlay dedicated for one project can be used against another project, subject to the condition that, the Board and CSR Committee should appropriately record the alteration in the target spending and modify the same in accordance with the actuals.

8. Implementation of CSR activities

The CSR activities may be undertaken by the company by itself or through:

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- b) 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
- c) any entity established under an Act of Parliament or a State legislature; or
- d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Entities that intend to carry out any CSR activity must register themselves with the Central Government by electronically filing Form CSR-1 with the Registrar on or after 1st April 2021. However, this requirement shall not affect CSR projects or programmer already approved before 1st April 2021.

The Board shall satisfy itself that the funds disbursed for CSR activities have been utilized for the purposes and in the manner approved by it.

In the case of ongoing projects, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation. The Board shall also be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

9. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- b) the manner of execution of such projects or programmes;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

10. Powers for approval

- a) CSR programmes as recommended by the CSR Committee to the Board and approved by the Board shall be implemented in accordance with this Policy
- b) To address immediate and urgent situations, the Chairman of the Company is authorized to approve proposals, projects, or programmes related to CSR activities based on the recommendation provided by the CSR Committee.

11. Impact Assessment

If the average CSR obligation is ten crore rupees or more in the three immediately preceding financial years, the Company shall undertake an impact assessment through an independent agency, of the projects having outlay of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. In addition to the above, additional projects may be selected at the option of the Company for impact assessment and/or mid-term assessment. These will be reviewed by CSR Committee and summary of the outcomes shall be placed before the Board. The report of such assessment shall be placed before the Board and shall also be annexed to the Annual Report on CSR.

The expenditure on account of impact assessment towards Corporate Social Responsibility for that financial year, shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

12. CSR Grievances

The Company maintains complete transparency in its CSR activities and adheres to ethical standards for all CSR initiatives. However, if any stakeholder has any feedback, questions, grievances, or complaints regarding a CSR initiative or its implementing agency, they can contact the Company via email at cs@aptusindia.com

13. Amendments to this policy

The Board of Directors may amend this Policy independently or based on the recommendations of the CSR committee, as necessary. The Board's decisions regarding all matters related to this Policy shall be final and binding on all parties concerned. This Policy will be reviewed periodically or as and when required.