

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

TERMS OF REFERENCE

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution:

- (i) The CSR Committee shall comprise of atleast 3 directors out of which one shall be an independent director.
- (ii) The Chairman of the Committee shall be present at the Annual General Meeting (AGM) to answer shareholders queries. In the absence of the Chairman, any member of the Committee shall be present at the AGM to answer the shareholder queries with regard to CSR activities.

Meetings:

- (i) The CSR Committee shall meet at least twice in every financial year or at such frequencies as the Chairman of the CSR Committee deem appropriate.
- (ii) The quorum for meetings of the CSR Committee shall be at least two members.
- (iii) The Committee shall meet in person, except in extraneous circumstances the CSR Committee may meet through video conferencing or other audio visual means, in accordance with the procedure prescribed in the Companies (Meetings of Board and its powers) Rules, 2014.
- (iv) The Members of the Committee shall be entitled to sitting fees for attending meetings of the Committee, as may be fixed by the Board, from time to time.
- (v) The minutes of the meetings of the CSR Committee shall be recorded and maintained in accordance with the relevant provisions of the Companies Act, 2013, or any enactment or amendment or modification thereto and the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Invitees:

- (i) The CSR Committee may invite such officers of the Corporation and/ or representatives of H T Parekh Foundation or any other NGO, as deemed appropriate to attend and participate at its meetings.

- (ii) The CSR Committee may also meet without any of the said officers/ representatives.

Role:

The terms of reference of the CSR Committee will be to –

- (i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR policy) which shall inter alia indicate the activities/ projects/ programs that will be undertaken directly by the Corporation and/ or through the Foundation and/ or through any other entity involved in CSR activities in any of the areas as specified in Schedule VII to the Companies Act, 2013 in terms of the provisions of Section 135 of the Act and the CSR Rules.
- (ii) Recommend to the Board, the amount of expenditure to be incurred on each of the CSR activities/ projects/ programs during each financial year.
- (iii) Approve and decide the areas where such CSR activities/ can be adopted, by giving preference to areas where the branches/ service centers of the Corporation are situated, subject to the terms and conditions or limits specified by any statutory/ regulatory authority, in this regard.
- (iv) Review/ ratify/ approve activities/ projects/ programs to be undertaken by the Corporation either directly or through the Foundation and/ or through any other entity involved in CSR activities and determine the amounts to be allocated for each such activities/ projects/ programs, in such manner and at such frequency, as deemed appropriate.
- (v) Formulate and adopt a transparent monitoring mechanism for the activities/ projects/ programs undertaken/ proposed to be undertaken by the Corporation or indirectly through the Foundation or through any other entity, in respect of the amounts allocated/ spent by it and its end use, in pursuance of the CSR Policy.
- (vi) Implement and monitor the CSR Policy, the projects undertaken by the Corporation and/or through the Foundation or other credible partnering organization(s) and update the Board the changes / recommendations to the CSR Policy as deemed appropriate from time to time.
- (vii) To ensure that any recommendations made by the Board with regard to the amounts allocated for each CSR activity, monitoring of its end-use or any matter connected with regard and arising out of the CSR Policy is

implemented and an action taken report submitted to the Board for their review.

- (viii) Approve the CSR report containing the disclosures as mandated under the CSR norms, before it is presented to the Board for its approval and inclusion in the Directors' report.
- (ix) Provide for the manner in which the activities relating to CSR initiated by the Corporation including end use of funds by the Foundation or other NGOs can be conducted.
- (x) To do all such acts, deeds, matters and things to ensure compliance with CSR norms and the CSR Policy, as amended, from time to time.

Powers:

- (i) The Committee has the authority to investigate into any matters concerning with or arising out of CSR norms.
- (ii) The Committee is authorised to obtain third party opinion on any matter on any matter concerning the CSR norms or the CSR policy of the Corporation, as deemed appropriate and secure their attendance.
- (iii) To call for records, documents or seek explanations from Officer(s) of the Corporation or auditors or lawyers or experts as it may deem appropriate, whether or not as part of any investigation into violation of the policies of the Corporation.

Report:

- (i) The minutes of the meetings of the CSR Committee shall be tabled at the subsequent meeting of the Board of Directors of the Corporation.
- (ii) The CSR Committee shall review the implementation of CSR Policy and shall update the Board of Directors of the Corporation, regarding its activities and practices adopted and provide for improvements/ actions required to be undertaken/omitted.
- (iii) In the event the Corporation has not spent the minimum required amount (i.e. 2% of the average net profits of the Corporation for the three years preceding the relevant financial year as contemplated under the CSR Rules), the CSR Committee shall submit a report specifying the reasons for not being able to spend the amounts so allocated, to the Board.

- (iv) The CSR Committee's activities during the year shall be disclosed in the Annual Report of the Corporation in the format prescribed under the CSR Rules.

Review & Authority:

The terms of reference of the CSR Committee shall be reviewed periodically to reassess its adequacy.