

PROVIDENT HOUSING LIMITED

CIN: U45200KA2008PLC048273

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Approved by Board of Directors on May 16, 2026)

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1. Objective of the Policy

Provident Housing Limited strongly believes that corporates have a special and continuing responsibility towards social development. The Company is dedicated to fostering a culture of collaboration, diversity, and inclusion. Giving back and supporting local communities is a foundational part of the Company's culture.

The Company has formulated 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 programs for welfare and sustainable development of the community at large. This CSR Policy conforms to Section 135 of the Companies Act, 2013 ("Act") and the Rules made thereunder.

2. Legal Framework

This Policy has been framed in accordance with the provisions of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

3. Scope and Applicability of the Policy

This Policy applies to all the CSR activities, projects or programs undertaken by the Company and the Policy shall be read, understood and followed by the Board and relevant employees of the Company.

4. Review and Amendments

The Board may at any time, based on the recommendation of the CSR committee, amend this Policy either pursuant to any changes in applicable regulations or otherwise. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions of this Policy.

5. Definitions

5.1 **"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 program.

5.2 **"Board"** or **"Board of Directors"** means the Board of Directors of the Company as constituted from time to time.

5.3 **"Company"** or **"Provident"** means **Provident Housing Limited**.

5.4 **"Companies Act, 2013"** means Companies Act, 2013 and the rules made thereunder.

5.5 **"Corporate Social Responsibility"** or **"CSR"** means the activities undertaken by the Company in pursuance of its statutory obligation under Section 135 of the Companies Act, 2013, but shall not include the following, namely:

- i. activities undertaken in pursuance of normal course of business of the Company;
- 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;
- v. activities supported by the Company 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.

5.6 **"CSR Committee"** means a committee constituted by the Board of Directors in terms of Section 135 of the Companies Act, 2013.

5.7 **"CSR Expenditure"** means two percent of the average pre-tax net profits of the Company made during the three immediately preceding Financial Years or such higher amount as recommended by the CSR Committee to be incurred on the CSR activities as approved by the Board from time to time and in accordance with the Companies Act, 2013.

5.8 **"Ongoing project"** means a multi-year project undertaken by a Company in fulfillment of its CSR obligation as laid down in Section 135 of the Companies Act, 2013 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.

5.9 **"Implementing Agency"** means

- i. a company established under section 8 of the Companies Act, 2013 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 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company, or
- ii. a company established under section 8 of the Companies Act, 2013 or a registered trust or a registered society, established by the Central Government or State Government; or
- iii. any entity established under an Act of Parliament or a State legislature; or

5.10 **"Net profit"** means the net profit of the Company computed as per Section 198 of the Companies Act, 2013, but shall not include the following:

- 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 then provisions of section 135 of the Companies Act, 2013.

5.11 **"Policy"** means this Corporate Social Responsibility Policy as amended and approved by the Board from time to time.

Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the Companies Act 2013 or any other applicable law or guidelines.

6. Governance Structure

The following bodies are responsible for CSR governance and compliances:

- A. Board of Directors
- B. Corporate Social Responsibility Committee

A. Board of Directors

Roles, Responsibilities and Duties of the Board

1. To constitute the CSR Committee in accordance with the Companies Act 2013 and the CSR Policy.
2. To review and adopt CSR best governance practices periodically.
3. To approve the CSR Policy as recommended by the CSR Committee and amendments thereto from time to time.
4. To approve the Annual Action Plan and amendments thereto (including annual budget).
5. To appoint Implementing Agencies to be partnered or associated with.
6. To approve Ongoing projects and re-classification of projects as Ongoing projects, if necessary.
7. To ensure that the funds disbursed for the CSR projects as part of the Company's obligation for each financial year have been utilized for the purpose and in the manner allocated and approved by it, before the end of the Financial Year.
8. To ensure that the administrative overheads shall not exceed 5 (five) percent of total CSR expenditure of the Company for the Financial Year or such other limit as may be prescribed under the Companies Act, 2013.
9. To monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation.
10. To suggest modifications, if required, for smooth implementation of the CSR projects within the overall permissible time period under the Companies Act, 2013.
11. To make necessary disclosures in the CSR Annual Report and the website as prescribed in the Companies Act, 2013.
12. To ensure that Impact Assessment is undertaken as per the provisions of the Companies Act 2013, where applicable or recommended by the CSR Committee.
13. To undertake such other activities as may be required under law or otherwise for compliance with the CSR obligations of the Company.

B. Constitution of CSR Committee

The Board shall constitute a CSR Committee, irrespective of the CSR obligation of the Company, consisting of at least three (3) Directors including one (1) Independent Director. The Board has powers to nominate/ change / induct members of the CSR Committee, subject to the applicable regulatory requirements and the Company's philosophy.

A person who ceases to be the Director of the Company shall automatically cease to be a member of the CSR Committee. The Board may nominate the Chairman of the CSR Committee or alternatively, the CSR Committee members may elect the Chairman from amongst themselves at every meeting.

CSR Committee Meetings

The CSR Committee shall normally meet as required and shall be summoned by the Management. The CSR Committee shall make all endeavors to convene at least one meeting every Financial Year. Notice of all meetings confirming the venue, time and date together with an agenda of items to be discussed and supporting papers as may be necessary shall be forwarded to each member of the CSR Committee, and to any other person required to attend (if necessary).

Quorum

The quorum for the CSR Committee Meeting shall be **1/3rd** of its total strength **(OR) 2 Members, whichever is higher**. There shall be **at least one Independent Director** present at the CSR Committee Meetings of the Company.

Roles, Responsibilities and Duties of the CSR Committee

The following shall be the roles, responsibilities and duties of the CSR Committee:

- a. To formulate the CSR Policy, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013 and recommend the same to the Board
- b. To recommend the amount of CSR expenditure to be incurred as per the provisions of the Companies Act, 2013.
- c. To formulate and recommend the Annual Action Plan and any modifications thereto during a Financial Year (with clear indication of Ongoing projects) and monitor the implementation of the same.
- d. To select suitable CSR partners/ Implementing Agencies and ensure that adequate due diligence reviews are undertaken as part of the selection process.
- e. To report progress of various CSR initiatives to the Board periodically and make appropriate disclosures on CSR activities as prescribed (including review of the CSR Annual Report for each Financial Year).

- f. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities of the Company and undertake evaluation of the projects at appropriate intervals
- g. To periodically validate that the CSR spends are in line with the approved project-wise budgets and undertake audits with respect to both direct CSR spends of the Company and spends through Implementing Agencies, as required
- h. To undertake the following activities in connection with Impact Assessment:
 - i. Evaluate and decide whether a social Impact Assessment is required to be undertaken by the Company;
 - ii. Where it is decided to undertake Impact Assessment, identify / finalise suitable agencies for the same
 - iii. Review and finalise the modalities for Impact Assessment in consultation with the agency identified.
 - iv. Review the Impact Assessment Report(s) and take corrective / enhancement measures where required.
 - v. To monitor the administrative overheads in pursuance of CSR activities or projects or programs so that they do not exceed the prescribed thresholds.
- i. To ensure that the requirements of the Act and Rules are met with respect to the Company's CSR activities, particularly with respect to capital assets created/ acquired, treatment of surplus generated and treatment of unspent amounts.
- j. To evaluate the need and engage external professionals/ agencies as may be necessary for effective identification, implementation, monitoring and evaluation of the CSR activities of the Company.
- k. To examine the need (and any proposal) to engage any international organizations, as defined under applicable law, for designing, monitoring and evaluating the Company's CSR projects or programs as well as for capacity building of the Company personnel for CSR activities.
- l. To formulate Standard Operating Procedures ("SOPs") for efficient identification, implementation, monitoring, evaluation and reporting of CSR projects or programs or activities
- m. To regularly update itself and the Board of any amendments in the CSR regulatory provisions and CSR governance best practices
- n. To perform such other duties and functions as the Board may require the CSR Committee to undertake or as may be required under the applicable laws.

7. CSR Lifecycle

The CSR lifecycle for a Financial Year including the related activities and responsibilities shall be as follows:

A. Identification of CSR obligation and CSR projects / programs

The Board shall approve the CSR obligation for each Financial Year on the recommendation of the CSR committee.

CSR Committee shall identify CSR activities which are in line with this CSR Policy, Section 135 of the Companies Act, 2013 and the Rules made thereunder including Schedule VII of the Companies Act, 2013 and decide the mode of implementation which may be any of the following:

- i. Independently and directly by the Company; or
- ii. Through eligible Implementing Agencies; or
- iii. Contribution to Schedule VII Funds or recognized agencies; or
- iv. Collaboration with other companies (where each Company reports separately)

Where Implementing Agencies are identified, necessary MOUs / agreements shall be entered with them by the Company. CSR Committee shall ensure that the identified Implementing Agencies possess all the required registrations as prescribed under various legislations. The qualifying conditions also need to be satisfied by any step-down Implementing Agencies that are engaged by the Company's primary Implementing Agency.

Preference shall be given to the local areas in which the Company operates.

B. Annual Action Plan

CSR activities shall be carried out as per the objectives and guiding principles, within the approved budget from time to time. The CSR Committee shall formulate an Annual Action Plan for carrying out the CSR activities of the Company and recommend the same to the Board.

The CSR Committee and the Board shall adhere to the following guidelines while formulating/ approving the Annual Action Plan for each FY:

- a. Evaluation of CSR activities of the preceding Financial Year: The achievements and drawbacks of the CSR projects/ activities undertaken in the previous Financial Year shall be considered and the Annual Action Plan shall be prepared accordingly.
- b. Identifying projects/activities for the current Financial Year: The CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organization. Assessment may be undertaken where necessary.
- c. The Company shall endeavour to formulate and approve the Annual Action Plan within the first quarter of each Financial Year.
- d. The Annual Action Plan shall be prepared for the respective financial year, basis the draft management accounts prepared by the Board or the audited financial statements, if available, for the preceding Financial Year(s).
- e. The CSR Committee shall include a skeleton of the activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, unspent amounts of previous years, etc.
- f. Any amendment to the Annual Action Plan shall be recommended by the CSR Committee and approved by the Board.
- g. The guidelines and principles covered in the CSR Policy shall be adhered to while formulating the Annual Action Plan.

C. Timeline and Disbursement

The timeline of the CSR activity / projects shall be agreed under the MOU with the identified Implementing Agency(s) and monitoring adherence shall be carried out by the CSR Committee.

The disbursement plan will be agreed upon with the identified Implementing Agencies to execute the CSR activity. The disbursement may be one-time, or in a phased manner as mutually agreed under the terms and conditions of the MOU. Appropriate receipts/ agreements/ documentation shall be maintained in this regard.

The Company may encourage its employees for volunteering in community service. However, the time volunteered will not be monetized as part of the Company's CSR expenditure, unless permitted under the Companies Act, 2013.

D. Treatment of overspend / underspend / surplus

• Overspend

Where the Company spends an amount in excess of its CSR obligation, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding 3 (three) Financial Years.

• Underspend

The Company shall deal with the unspent amount in the following manner:

Sl. No	Type of Unspent Amount	Action	Timeline
1.	Unspent amount pertains to 'ongoing project'	Transfer such unspent amount to a separate Bank account opened for the Financial Year to be called as 'Unspent CSR Account'.	Within 30 days from the end of the Financial Year.
2.	Unspent amount pertains to 'Other than ongoing project'*	Transfer unspent amount to the Fund prescribed under Schedule VII of the Companies Act, 2013.	Within 6 months from the end of the Financial Year.

*Any amount transferred to Unspent CSR Account remaining unspent at the end of immediate succeeding 3 FYs to be transferred to Government funds notified in Schedule VII within a period of thirty days from the date of completion of the third FY.

• Surplus

Any surplus arising out of CSR projects / programs / activities will not form part of the business profits of the Company. Any surplus is required to be:

- ploughed back into the same project; or
- 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.

E. Monitoring, Evaluation and Impact Assessment

Wherever the Company disburses any amounts to an Implementing Agency, such amount will be treated as spent by the Company during a Financial Year, only, if the Implementing Agency or step-down Implementing Agency has in turn, actually spent the same on behalf of the Company. For this purpose, the Company will obtain a utilization certificate on a periodic basis from such Implementing Agency / step-down Implementing Agency.

In addition, the Company may also consider requesting for a certificate from an independent party i.e., either the auditor of the Implementing Agency or step-down Implementing Agency or other practicing chartered accountant, to confirm utilization of the funds by during the FY.

• Monitoring

To ensure effective implementation of the CSR programs / projects undertaken, a monitoring mechanism will be put in place by the CSR Committee and the progress of the programs / projects will be monitored on regular basis.

The CSR monitoring mechanism could include periodic meetings with Implementing Agencies, physical visits to the project sites, obtaining reports of project status on a periodic basis, etc.

The CSR Committee will maintain the necessary CSR documentation for a period of 8 years or till relevant or as per applicable law.

• Evaluation

The Company will also undertake evaluation i.e., a systematic and objective assessment of CSR projects / programs. An evaluation tracks the overall progress of a CSR project cycle and forms the basis for improvement and modification. Evaluation looks for best practices / positive results that can be applied going forward. Evaluation also tracks the overall outcome of the project.

Evaluation is more analytical in nature and is distinct from but complementary to project monitoring. The Company may either choose to evaluate the CSR project by itself or may outsource this activity to an external party for independent evaluation. There should be clear Terms of Reference for the evaluator containing the objectives, responsibility, duration, expected output and budget for the evaluation exercise.

• Impact Assessment

In case the average CSR spend of the Company is INR 10,00,00,000 (INR Ten crores only) or more in the immediately three preceding Financial Years, the Company is mandatorily required to undertake Impact Assessment of the CSR activities having outlay of INR 1,00,00,000 (INR One crore only) or more and which have been completed not less than one year before undertaking the impact study. The CSR Committee / Board may decide to undertake Impact Assessment voluntarily.

F. Disclosures and Reporting

The Company will disclose this CSR Policy, the composition of the CSR Committee, and details of all Projects

approved by the Board on its website. The Company will also make necessary disclosures in the Board's Report and complete all applicable filings as prescribed under the Companies Act, 2013.

The Chief Operating Officer or the person responsible for financial management shall certify to the effect annually that the funds disbursed /allocated for meeting the CSR obligation of the Company have been actually utilized in the areas or projects as approved by the Board of the Company and in accordance with the Companies Act, 2013. Such certification will be based on the utilisation reports as received from the Implementing Agencies (wherever CSR projects are implemented through such agencies).