

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Background:

The Company's Act, 2013 has made it compulsory for Companies to carry out Corporate Society Responsibility (CSR) activities. The Government of India, on February 27, 2014, notified provisions and corresponding Rules pertaining to CSR.

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

GRUH is committed to remain a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society.

2. Scope:

The CSR Policy applies to the formulation, execution, monitoring, evaluation, and documentation of CSR activities in the target locations, in and around Company's offices.

3. Aims and Objectives:

As a responsible corporate entity, GRUH will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:-

- ✓ To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well-being of the local populace.
- ✓ To serve the socially and economically weak, disadvantaged, underprivileged, & destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self dependent and live life more meaningfully.
- ✓ To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to areas, that have so far not been attended to.
- ✓ To generate, through its CSR initiatives, a community goodwill for GRUH and help reinforce a positive & socially responsible image of GRUH as a Corporate entity.

4. Activities under Corporate Social Responsibility:

GRUH would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking up projects or programs relating to the following activities:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking;
- (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 centers 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;
- (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 arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects;
- (xi) Slum development projects;
- (xii) Such other activities as are allowed under Section 135 of the Act read with the Rules.

5. Locations/Geography of CSR Activities:

The CSR activities will be primarily taken up in the State / District of GRUH's offices. Apart from these areas, CSR activities may also be taken up in urban, rural and tribal communities, wherein social engagement by GRUH is warranted as per needs assessment.

6. Undertaking CSR activities

The CSR activities will be carried out either by GRUH itself or through GRUH Foundation, HT Parekh Foundation - a Foundation set up by the parent Company - HDFC Limited and/or any other Not for Profit Organizations, which have established track record of services, performance and accountability (collectively hereafter referred to as "Partnering Organizations").

7. Implementation Mechanism

While identifying the CSR activities, GRUH and Partnering Organization would consider the following broad parameters while selection of projects or programs:

- 7.1 Preference could be given to the local areas and States where GRUH has its offices.
- 7.2 CSR activities could be undertaken as project or program rather than in the form of donation, so as to create social impact and visibility.

8. Budget for CSR activities:

- 8.1 The CSR Committee shall, after the end of each financial year, recommend to the Board, the amount of expenditure to be incurred on the CSR activities.
- 8.2 The amount of such expenditure shall not be less than 2% of the Average Net Profits of GRUH made during the three immediately preceding financial years.
- 8.3 GRUH may build CSR capacities of its own personnel as well as those of their implementing Partnering Organizations but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.
- 8.4 All administrative expenses including expenditure on wages and salaries, tours and travels, training and development of personnel deputed on CSR activities would be included in the amount of expenditure to be incurred on CSR activities.
- 8.5 The expenditure on CSR activities shall include all expenditure on projects or programs relating to CSR activities, but does not include any expenditure on an item not in conformity or not in line with CSR activities.
- 8.6 CSR Committee will arrive at the focus areas, set priorities, define the profile of the partnering organisation and the territory of activities on which the approved budget will be based. The Managing Director of GRUH would be authorized to allocate funds for different projects on the basis of identified CSR plans on yearly basis.

9. Monitoring Process of CSR Policy:

- 9.1 A group of members at Corporate Office would be identified for coordinating CSR activities and related responsibilities.
- 9.2 The implementation and progress of CSR activities shall be regularly monitored by GRUH management, preferably on a quarterly basis.
- 9.3 The CSR Policy shall be reviewed and activities monitored by the CSR Committee from time to time, at least once in six months.
- 9.4 The CSR Committee would also provide feedback and inputs to formulate and improve the projects or programs, from time to time, as per need and requirement.

10. Reporting:

- 10.1 A half yearly report on activities / projects identified / implemented shall be submitted to CSR Committee.
- 10.2 The Board of Directors of GRUH will also be kept informed, from time to time, on the CSR activities undertaken by GRUH.
- 10.3 Based on the monitoring reports, the activities undertaken by GRUH will form part of the Board's Annual Report of GRUH.

11. General:

- 11.1 The surplus arising out of CSR projects or programs shall not form part of the business profits of GRUH.
- 11.2 Any amendment or modification to the CSR Policy shall be approved by the Board on the recommendation of CSR Committee.
- 11.3 The contents of this Policy shall be disclosed in the Board's report and same shall also be displayed on the website of the Company.
