



Corporate Social Responsibility (CSR) Policy of the Company

Registered office

PLOT NO 431, VILLAGE-SANTEJ,
SANTEJ-VADSAR ROAD,
TAL-KALOL GANDHINAGAR
GUJARAT 382721 INDIA

Corporate Social Responsibility (CSR) Policy

Introduction

1.1. The concept of Corporate Social Responsibility (CSR) has been developing since early 1970's in India. Philanthropy and CSR is not a novel concept for Indian Companies. Even before the introduction of any statutory guidelines, some of the Companies were discharging their Corporate Social Responsibilities by engaging themselves in socio economic and other philanthropic activities like promoting education, contributing to the social benefits in the situations of natural calamities and health of the common people by organizing health camps. With the passage of the Companies Act 2013, the mandate for corporate service responsibility has been formally introduced to the dash Board of the Indian Companies. The CSR mandate is an attempt to supplement the Govt. efforts of equitably delivering the benefits of the growth and to engage the corporate world with the Country's development agenda.

1.2. Though there is no specific commonly applicable definition of CSR, it is the "continuous commitment by the business to behave ethically and contribute to economic development while improving the quality of life of work force and their families as well as local community and society". It is the responsibility of the corporate entity toward the society in consideration of the support given and sacrifice made by the society. Corporate Social Responsibility (CSR) is the concept where by organizations serve the interest of the society by taking the responsibility for the impact of their activities on customers, employees, shareholders, communities, environment in all aspects of their operation.

1.3. As per the Companies Act 2013 and rules made under clause 135 the CSR " means and includes but is not limited to (i) Projects and program relating to activities specified in schedule VII to the Act or (ii) projects and programs relating to activities under taken by Board of Directors of the Company in pursuance of recommendations of the CSR Committee of the Board as per the declared CSR policy of the Company subject to the condition that such policy will cover subjects enumerated in schedule VII of the Act".

1.4. Our Companies Corporate Social Responsibility (CSR) policy is broadly based on the principles of National voluntary guidelines on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs, SEBI guidelines on Business Responsibility Reporting, Companies Act 2013 and ethos of our Sponsor, Canara Bank.

2. Objectives of the Corporate Social Responsibility (CSR) policy.

2.1 The objectives of the CSR policy is to promote socio economic development in rural areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empowering women, reducing child mortality and improving maternal health, health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of common good.

2.2 Contribution to the prime Ministers National relief fund or any other fund set up by Central Govt. or State Govt. for social economic development, relief and rehabilitation of persons effected by natural calamities, funds for the welfare of schedule Caste and Schedule Tribes and other backward classes, minority and women.

2.3 Promotion and Financing any other activities to be advised by the Govt. or approved by the Board from time to time.

2.4 Promote eligible Trusts and Societies and/or encourage eligible trusts and societies or other implementing agencies, registered under section 8 of the Companies Act, who are engaged in promoting the above objectives solely with our company or jointly with any other companies

3. Applicability of Corporate Social Responsibility (CSR) rules:

The CSR rules are applicable to Indian Companies or subsidiaries of Indian Companies and Foreign Companies operating in India and having net worth of Rs.500 Cr or more, turnover of Rs.1000 Cr or more, net profit of Rs.5 Cr or more during the financial year.

4. The responsibility of the Board in implementation of CSR rules :

4.1 The Board shall constitute a Corporate Social Responsibility Committee of the Board for the purpose of preparing a detailed plan of the CSR activities including decisions regarding the expenditure, types of the activities to be under taken, agencies like Trust/s, Societies, individuals etc. to implement such CSR activities, roles and responsibilities of such Trusts, Societies, individuals etc., monitoring and reporting mechanism.

4.2 The Board of the Company shall after taking in to account the recommendations made by the CSR Committee, approve the CSR policy for the Company and disclose contents of such policy in its report and also place it on the Company's website. The Board shall ensure that the activities as are included in CSR policy of the Company are undertaken by the Company, ensure that the Company spends in financial year, at least 2% of the average net profits (before tax) made during the preceding 3 financial years. If the Company fails to spend such amount, the Board shall in its report specify the reasons for not spending the amount. Company shall give the preference to the local areas.

4.3 The Directors of the Company are responsible for Disclosure of information in the Directors' report under Section 134(3)(O) of the Act, specifying reasons for not spending the required amount for CSR activities. Failure to disclose such information on CSR policy in the Directors' Report as required under Section 134(3)(O), the Company is liable to pay a fine of Rs.50000 and every officer responsible for such default is liable for imprisonment for a term which may extend to three years or fine of not less than Rs.50000 and up to a limit of Rs.5 lacs or both.

5. CSR committee of the Board :

5.1 The CSR committee of the Board should be constituted by the Board of Directors of the Company from time to time. The committee shall consist of at least three Directors out of whom, one is an independent Director. Other members of the Committee shall include the Managing Director and the Chairman of the Board of the Directors. The composition of the CSR Committee shall be disclosed in the Board report as per sub section (3) of section 134 of the Companies Act.

5.2 The term of the CSR Committee shall be for a minimum period of 3 years from the date of constitution. In the case of retirement of any of the Directors of the Company who are the members of the CSR Committee, fresh nomination of any other Director of the Company shall be made by the Board for the remainder of the period.

5.3 The Chairman of the CSR Committee may be any one of the independent Directors of the Company who is a member of the CSR Committee.

5.4 The CSR Committee shall hold its meeting at least twice in a year or such other convenient intervals as may be decided by the Chairman of the CSR Committee.

5.5 The CSR Committee shall ensure that the CSR activities in the Company are conducted as per the CSR policy and performance vis-a-vis the projections are placed before the Board of the Directors on half yearly basis as at Sept/ March.

6. Functions and Responsibilities of the CSR Committee

6.1 The CSR Committee of the Board shall formulate and recommend a CSR policy to the Board, indicating the activities to be under taken under CSR policy which is in tune with the Schedule VII of the Companies Act and any modifications made by the Govt. from time to time. The Committee shall also review the CSR policy from time to time / once in a year or such other periodical intervals as may be required. The Company shall study the CSR policies of other peer group housing finance companies/ CFSR and take necessary guidance for the CSR activities, mode of spending CSR funds for eligible activities at periodical intervals and recommend to the CSR Committee, any modifications in the policy, objectives and allocation/ spending of CSR funds.

6.2 The CSR Committee shall estimate, compute the amount of expenditure to be incurred on CSR activities on an annual basis or project to project basis. All the expenditure to be incurred towards CSR activities shall be reviewed by the Board, subject to such monitory ceilings as may be prescribed by the Company's Act. Unutilized CSR budget of a particular year to be permitted for carryover to the next financial year as per the provisions of the Act.

6.3 The CSR Committee of the Board to monitor the progress in implementation of CSR projects and programs and report to the Board at half yearly intervals for review.

6.4 The CSR Committee shall approve the activities and budget for CSR expenditure from time to time and review such expenditure at half yearly intervals. The Company may also examine contributing a portion of the eligible amount to Prime Ministers National Relief Fund and such other activities and get the benefit of Tax concession and complying with the Statutory requirements.

7. The CSR Activities and strategy

7.1. The CSR policy should exclude the normal business activities of the Company. As per the CSR policy the activities included by the Company are to be related to the activities included in schedule VII of the Companies Act. The CSR activities may be either independent projects and programs or activities, either new or ongoing, but will not include the activities that are undertaken in pursuance to the normal course of the business. Similarly, contribution of any amount directly or indirectly made to any political party shall not be considered as CSR activity. While, taking up any CSR activities and for spending the amount year marked for CSR activities, preference shall be given to local areas and areas in and around where the branches operate.

7.2 The gist of the activities for which the Company will spend the targeted amount which specified in the objectives of the CSR policy, the Company may cover all or any of the following activities under the CSR undertaken in India. In other words expenditure incurred in CSR projects or programs or activities undertaken outside India are not eligible to be covered under CSR expenditure. The CSR policy of the company shall include the following activities:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
- Scholarship to the students, trainees etc., introduction of earn while you learn scheme to the poor students.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward group
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, water and air.
- Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of arts and handicrafts.
- Measure for benefits of armed forces veterans war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
- Contribution to the Prime Ministers National Relief Fund or other fund set up by the Central Govt. for socio economic development and relief and welfare of the SC, ST and other backward classes, minorities and women.
- Contributes or funds provided to technology incubators located within academics institutions which are approved by the Central Govt.
- Rural Development and other community Projects of common interests.
- Welfare majors for differently abled, old, homeless and the destitutes.
- Disaster management and activities including those related to amelioration and mitigation

The strategy for implementation of the CSR activities will be reviewed from time to time, The Board may decide to undertake the CSR activities approved by the CSR committee through a registered trust or a Society or a Company, established by the Company itself or its holding Company or any other Associate Company under Section 8 of the Companies Act.

The Company may also entrust such CSR activities to any other Company, Society or Trust with established track record of 3 years in undertaking similar programs or projects. The modalities of utilisation of funds on such projects and programs and monitoring and reporting the mechanism will be introduced by the Company.

The Company may also collaborate with other Companies, Trust, Societies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programs in accordance with the mechanism approved by the CSR Committee.

Subject to the approval of CSR Committee of the Board, Company may also build the CSR capacities of the employees of the Company or other implementing Agencies through institutions with the established track records of at least 3 financial year, but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

8. The CSR expenditure

8.1. There is no maximum ceiling for CSR expenditure by the Company. However, as per clause 135 of the Companies Act, the Company shall spend a minimum of 2% of average net profit of the

preceding 3 years for CSR activities. The net profit means, the profit of the Company as per financial statements prepared in accordance with the applicable provision Act but shall not include any profit arising from any overseas branch or branches, dividends received from any other Companies in India. The surplus, if any, arising out of CSR projects or programs or activities shall not form part of the business profits of the Company.

8.2. The expenditure for various projects, programs and activities are to be decided at the initial stage by the Company and such projects, programs and activities are to be approved by the CSR Committee of the Board. Once these projects, programs are approved by the CSR Committee, expenses for such activities may be permitted by the Company. A separate Bank account shall be maintained for monitoring the expenses for CSR activities and all the operations in the said Bank account shall be authorised by the Officials nominated by the MD.

8.3. The expenditure incurred for CSR activities by the Company are subject to audit by the Internal Auditors of the Company. Such audit shall be carried out at half yearly or such other intervals as may be advised by the CSR Committee of the Board.

8.4. At the end of each financial year, the Company shall prepare an annual report on CSR containing the particulars as furnished in Annexure 1.

9. Display of CSR activities in the website. The contents of the CSR policy of the Company as approved by the Board shall be displayed in the Companies official website. Further, the annual report as per Annexure 1 shall also be displayed in the Company's website for public view.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR Report for the financial year ended 31st March, 2023

[Pursuant to Section 135 of the Companies Act, 2013]

Sr. No.	Particulars	Information																				
1	Brief outline on CSR Policy of the Company	The Company aims to demonstrate its social responsibility with special emphasis on improvement of health, education, environment sustainability and other spheres as decided by the Board.																				
2	The Composition of the CSR Committee:																					
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of Director</th> <th>Designation / Nature of Directorship</th> <th>Number of meetings of CSR Committee held during the year</th> <th>Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Ashok Chhajer</td> <td>Chairman, Managing Director</td> <td>Two</td> <td>Two</td> </tr> <tr> <td>2</td> <td>Mr. Rishab Chhajer</td> <td>Member, Jt. Managing Director</td> <td>Two</td> <td>Two</td> </tr> <tr> <td>3</td> <td>Mr. Kashyap R. Mehta</td> <td>Member, Independent Director</td> <td>Two</td> <td>Two</td> </tr> </tbody> </table>	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	1	Mr. Ashok Chhajer	Chairman, Managing Director	Two	Two	2	Mr. Rishab Chhajer	Member, Jt. Managing Director	Two	Two	3	Mr. Kashyap R. Mehta	Member, Independent Director	Two	Two	
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																		
1	Mr. Ashok Chhajer	Chairman, Managing Director	Two	Two																		
2	Mr. Rishab Chhajer	Member, Jt. Managing Director	Two	Two																		
3	Mr. Kashyap R. Mehta	Member, Independent Director	Two	Two																		
3	Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: www.gujaratcraft.com .																				
4	Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable																				
5.	Average net profit of the company as per sub-section (5) of section 135.	Rs. 592.18 Lakh																				
	Two percent of average net profit of the company as per sub-section (5) of section 135.	Rs. 11.84 Lakh																				
	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil																				
	Amount required to be set off for the financial year 2022-23, if any	N.A.																				
	Total CSR obligation for the financial year 2022-23 [(b)+(c)-(d)].	Rs.11.84 Lakh																				
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	Rs.0.11 lakh																				
	(b) Amount spent in Administrative Overheads.	Nil																				

(c)	Amount spent on Impact Assessment, if applicable.	Not Applicable			
(d)	Total amount spent for the Financial Year 2022-23 [(a)+(b)+(c)].	Rs. 0.11 lakh			
(e) CSR amount spent or unspent for the Financial Year:					
Total Amount Spent for The Financial Year 2022-23 (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount Transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11,245/-	12 Lakh	03.04.2023	---	Nil	N.A.
(a) Excess amount for set off, if any: -					
Sr. No.	Particulars				Amount (in Rs.)
(1)	(2)				(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135				NIL
(ii)	Total amount spent for the Financial Year 2022-23				NIL
(iii)	Excess amount spent for the financial year [(ii)-(i)]				NIL
(iv)	Surplus arising out of the CSR projects or Programmes or activities of the previous financial years, if any				NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]				NIL

7.	Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:							
1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Years	Amount transferred to Unspent CSR Account under sub-section (6) of section 135. (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding Financial year (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
1	FY-1 (2021-22)	Nil	Nil	Nil	Nil	N.A.	Nil	Nil
2	FY-2 (2020-21)	Nil	Nil	Nil	Nil	N.A.	Nil	Nil
3	FY-3 (2019-	Nil	Nil	Nil	Nil	N.A.	Nil	Nil

	20)							
8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:						No	
If Yes, enter the number of Capital assets created/ acquired Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:								
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority/ Beneficiary of the registered owner			
(1)	(2)	(3)	(4)	(5)	(6)			
					CSR Registration number, if applicable	Name	Registered Address	
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(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)								
9.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)					Not Applicable		

	Sd/-	Sd/-
Place: Santej	Rishab Chhajer,	Ashok Chhajer,
Date: 21 st July, 2023	Jt. Managing Director – Member of CSR Committee	Chairman - CSR Committee