

Corporate Social Responsibility Policy of Shrachi Burdwan Developers Private Limited

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BACKGROUND

Section 135 of the Companies Act, 2013 (the Act) mandates the following classes of companies to formulate and adopt a Corporate Social Responsibility (CSR) Policy and draw out a framework for CSR:

- a) Net worth of Rs. 500 Crore or more; or
- b) Turnover of Rs. 1000 Crore or more; or
- c) Net profit of Rs. 5 Crore or more

In accordance with the said mandate of the Act and rules made thereunder, since Shrachi Burdwan Developers Private Limited (herein after referred as ‘SBDPL’/‘Company’) qualifies on Net profit criteria, during the immediately preceding financial year, it is required to formulate and adopt CSR Policy.

The Board of Directors of the Company has adopted this CSR Policy in terms of section 135(3)(a) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (**‘Rules’**) and Schedule VII (including any statutory modifications or re-enactments thereof).

The objective of this Policy is to provide an overall CSR framework, which shall at all relevant times be closely aligned with the requirements of relevant provisions of the Act.

DEFINITIONS:

- **“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 programme;
- **“Corporate Social Responsibility (CSR)”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Rules, but shall not include the following, namely: -
 - i. activities undertaken in pursuance of normal course of business of the company

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

¹the term **“entity”** shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

- a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - 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 (29 of 2019);
 - v. activities supported by the companies 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
- **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- However, if the amount to be spent by the Company does not exceed Rs. 50 Lakhs, the Company does not require to constitute CSR committee and the function of CSR committee will be discharged by the Board of Directors.*
- **“CSR Policy”** means 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 annual action plan.
- **“International Organisation”** means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- **“Net Profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
- 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 the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net

profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- **“Ongoing Project”** means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding 3 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 1 year by the Board based on reasonable justification;
- **“Public Authority”** means ‘Public Authority’ as defined in section 2(h) of the Right to Information Act, 2005;
- **“Implementing Agency”** shall mean such agency through which the CSR Programme of the Company may be implemented, subject to the same being any of the following:
 - 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 80G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company;
 - 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;
 - c) any entity¹ established under an Act of Parliament or a State legislature;
 - 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.

Provided that every entity mentioned above, must have registered themselves with the Central Government by filing the form CSR-1 electronically with the Registrar.

All other words and phrases not defined herein shall have the same meaning and definition as specified under the Act or the Rules as may be amended from time to time.

PREAMBLE

India is one of the fastest growing economies in the world today. A land of diversities, our country, has witnessed tremendous development in terms of urbanisation, but there is marked poverty, illiteracy and poor sanitation as well.

Today, every corporation has added a social dimension to its existence and SHRACHI is no exception. Since inception, SHRACHI has been actively involved in the growth and empowerment of the disadvantaged sections of society and has equally been associated with numerous initiatives in making a cleaner and greener environment.

Shrachi has conceptualized CSR projects on health, education, environment and sanitation after indepth analysis and need assessment of the communities, not only in and around our projects, but also in the priority area independent of our project locations.

Shrachi Burdwan Developers Private Limited (hereinafter referred to as SBDPL) has been upholding the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. We believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. Therefore, our philanthropic endeavours are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

SBDPL has been carrying out Corporate Social Responsibility (CSR) activities for a long time through it self in the field of Education, Environment and Healthcare, while also pursuing CSR activities for the benefit of communities around our areas of operation spread across the Country.

CORPORATE SOCIAL RESPONSIBILITY PURPOSE STATEMENT

The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. While we will undertake programme based on the identified needs of the community, education, green environment and healthcare shall remain our priority.

Across the different programme areas identified by the company, it would be our endeavour to reach the disadvantaged and the marginalised sections of the society to make a meaningful impact on their lives.

SBDPL is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation and the like to underprivileged;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programme;
- Promotion of sports through training of sports persons;
- Undertake rural development projects;

COLLABORATION FOR CSR:

The Company may undertake its CSR activities either directly or through any Implementing Agency.

Further, the Company may choose to collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of

respective companies are in a position to report separately on such projects or programs in accordance with the Rules and amendments thereto.

Provided that if the Company decides to undertake its CSR Programmes through an Implementing Agency, the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism shall be specified by the Company.

The Company shall ensure that the Implementing Agencies are duly registered with the Central Government as per the requirements of the Rules.

The Implementing Agency should be credible and should have the ability to execute the CSR Programme effectively. The disbursement by the Company to the Implementing Agency should be made only upon receipt of proposal along with budget and implementation schedule, and in tranches in order to ensure that the amount does not lie unspent with the Implementing Agency.

GOVERNANCE

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR committee, if applicable, is to formulate the policy and to administer the policy through implementing partner(s) or via self-implementation.

The Board shall provide guidelines for projects/partner selection to the respective HR or CSR teams, wherever applicable.

The Board shall ensure that projects/programmes are compliant with regulations and are monitored and reported effectively. As the Company's CSR activities evolve, the policy may be revised by the Board of Directors.

Apart from the above-mentioned activities, SBDPL may choose to contribute to the society by undertaking any of the activities as mentioned in Annexure A to this CSR Policy which is in line with Schedule VII of the Act.

CSR SPEND AND UNSPENT AMOUNT

The Board of every company shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years.

If the company spends an amount in excess of 2% of the average net profit, such company may set off against the requirement to spend 2% of its average net profits up to immediate succeeding 3 financial years subject to the conditions that

- 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 this rule.
- the Board of the company shall pass a resolution to that effect.

Any surplus arising out of the CSR activities shall not form part of the business profit of a 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 transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

If any amount remained unspent pursuant to any ongoing project shall be transferred by the company within a period of 30 days from the end of the financial year to 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 three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

If any amount remain unspent other than ongoing project transfer such unspent amount to the Fund specified in Schedule VII, within a period of six months of the expiry of financial year.

ADMINISTRATIVE OVERHEADS:

The expenses incurred by the Company in the general management and administration of its CSR activities can be claimed as CSR expenditure, provided that the same does not exceed 5% of the total CSR expenditure for the financial year to which it relates.

If the Company chooses to undertake CSR activities directly, it may resort to capacity building, which shall be the expenditure on training of the CSR staff engaged in the implementation of CSR Programme. Expenditure incurred on such capacity building may be claimed as a part of the administrative overheads within the limits as permitted under the Act.

The Company may engage International Organisations for designing, monitoring and evaluation of the CSR Programmes as recommended by the CSR Committee as well as for capacity building of their own personnel for CSR.

PENALTY:

If the Company is in default in complying with the provisions of section 135(5) or 135(6) of the Act, the Company shall be liable to a penalty of twice the amount required to be transferred by the Company to the Fund specified in Schedule VII or the Unspent CSR Account, as the case may be, or Rs. 1 crore, whichever is less, and every officer of the Company who is in default shall be liable to a penalty of 1/10th of the amount required to be transferred by the Company to such Fund specified in Schedule VII, or the Unspent CSR Account, as the case may be, or Rs. 2 lakh, whichever is less.

AMENDMENTS TO THE POLICY:

The Board of Director either on its own or on recommendation of CSR committee will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

ANNEXURE-A

1. Eradicating hunger, poverty and malnutrition, “promoting health care including preventive healthcare 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.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects.
3. 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
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
5. 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.
6. Measures for the benefit of armed forces veterans, war widows and their dependents [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows]
7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.
8. Contribution to the Prime Minister’s National Relief Fund or Prime Minister’s Citizen 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 Scheduled Tribes, other backward classes, minorities and women.
9. (a) 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

(b) 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 Organization (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).]

10. Rural development projects.

11. Slum Area Development

12. Disaster Management, including relief, rehabilitation and reconstruction activities

13. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.