

# SHRIRAM PROPERTIES PRIVATE LIMITED

## Corporate Social Responsibility Policy

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### I. PREAMBLE

This Corporate Social Responsibility policy ("**Policy**") encompasses the Company's philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large through its social arm and also through its subsidiaries and associates Companies, other companies and also through various other charitable trusts and organisations.

This policy shall apply to all CSR initiatives and activities taken up not only at the various work-centres and locations of the Company but also in any other parts of the country, for the benefit of the society. This Policy shall be applicable to all CSR activities of the Company whether carried by itself or through any eligible entities **with effect from 1<sup>st</sup> April 2021.**

### II. OBJECTIVE

The objective of this Policy is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the Company relating to Corporate Social Responsibility ("**CSR**") within the meaning of Section 135 of the Act read with Schedule VII of the Act and the Rules.

### III. DEFINITIONS

1. **Board** means Board of Directors of the Company.
2. **Corporate Social Responsibility or 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 formulations of the annual action plan
3. **CSR Committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013.
4. **Company** means Shriram Properties Limited.
5. **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the followings, namely
  - a. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and
  - b. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013;

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 and the rules made thereunder shall have the same meanings respectively assigned to them.

#### IV. CSR PROJECTS OR PROGRAMS

The Company shall implement the CSR Policy in accordance with the requirements under Section 135 of the Companies Act, 2013 and the rules framed thereunder, as modified from time to time, broadly covering the following as and when required, and approved by the CSR Committee, as the case may be:

- A. **ECONOMIC DEVELOPMENT:** Empowering women through self-help groups; promoting improved agriculture practices through adoption of scientific methods of agriculture; improve employability by providing enhancing vocational skills and providing career counselling. Survival, protection and education of girl children will be given primary focus.
- B. **EDUCATION:** Promoting education, including special education, especially among children, women and the differently abled, including by way of setting up of educational camps in rural areas; establishing village level adult education centres, contributing towards improving the infrastructure of schools by building additional classrooms and other infrastructure, providing study and play materials, building of toilets and ensuring adequate water supply. Providing special care to introduce digital technology in primary and secondary education for improving quality of education.
- C. **ENVIRONMENT:** 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, including by way of :
- i. educating the public on effective solid waste management;
  - ii. construction and periodic cleaning of drains for free flow of liquid waste;
  - iii. undertaking afforestation measures and supporting conservation measures to protect forest areas and prevent forest fires; and
  - iv. construction of various water and soil conservation structures, including rainwater harvesting systems to increase the groundwater level, reduce soil erosion and increase crop cultivation area.
- Ensuring environmental sustainability and ecological balance through:
- Plantation drives in schools, villages, offices/business premises and other areas in general;
  - Reviving endangered plants, promoting agro-forestry;
  - Protection of flora & fauna;
  - conservation of natural resources
  - Maintaining quality of soil, air & water.
  - Adoption of wastelands to cultivate plants;
  - Promoting biodiversity;
  - Animal welfare and veterinary services.
  - Promoting alternate energy resources.
- D. **HEALTH:** Reduction of infant mortality and maternal mortality rate; reduction of malnutrition among children; reduction of anaemia among women by conducting nutrition demonstration programmes and supply of iron and calcium supplements to women and especially people belonging to the weaker section of society.

Create and run awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre-natal & post-natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.  
Reduction of open defecation by individuals by construction of toilets and promoting awareness of the disadvantages of open defecation; and promoting access to safe drinking water.

**E. HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, Providing healthy food, clothing especially to the aged person, children and promoting preventive healthcare and sanitation.

**F. NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries and promoting and developing traditional arts and handicrafts.

The CSR activities shall be undertaken within the territory of the Republic of India, and the Company shall give preference to the local area/ areas around where it operates, for spending the amount earmarked for CSR activities.

## **V. CSR COMMITTEE**

CSR Committee shall consist of three or more directors of which, at least one will be an independent director, unless otherwise required under applicable law. The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The composition of the CSR Committee shall be disclosed in the Board's report.

- i. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
- ii. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- iii. the manner of execution of such projects or programmes
- iv. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- v. monitoring and reporting mechanism for the projects or programmes; and
- vi. details of need and impact assessment, if any, for the projects undertaken by the company
- vii. recommending to Board, modifications to the Policy, as and when required; and regularly monitoring the implementation of the Policy
- viii. monitoring the implementation of CSR projects or programs or activities and their implementation along with the monitoring process of such projects or programs as decided by the CSR Committee.

- ix. Deciding upon the modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programmes as decided by the Committee.
- x. Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect

## **VI. BOARD**

The Board of Directors of the Company will be responsible for:

- A. approving the Policy as formulated by the CSR Committee, with or without modifications;
- B. considering the recommendations of the CSR Committee and providing appropriate instructions directions to the CSR Committee when required;
- C. preparing a budget of expenditure to be applied for CSR projects contemplated in the annual policy of the Company;
- D. ensuring that in each financial year the Company spends at least 2% of the average net profits of the Company, made during the 3 (three) preceding financial years, or such other amount as prescribed under the Act and Rules framed thereunder, in pursuance of its CSR Policy.
- E. disclosing in the Report of the Board, the names of CSR Committee members and ensure annual reporting of its CSR activities in the format as prescribed under the Act and the Rules framed thereunder.
- F. Complying with the requirements of the Act and the Rules regarding corporate social responsibility.

## **VII. EVALUATION AND IMPLEMENTATION OF CSR ACTIVITIES**

- A. For achieving its CSR initiatives and activities through implementation of meaningful and sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2% (two per cent) of the average net profit made by the Company during the three immediately preceding financial years. The average net profit of the Company shall be calculated in accordance with Section 198 of the Companies Act 2013.
- B. The Company, its subsidiaries, affiliates or any such other entity will receive requests for funding of projects, from time to time. The experts available in the respective entities will evaluate the proposals so received, either internally or with the help of third parties.
- C. Projects will be prioritized by assessing their impact and the permissibility of such funding, considering the Company's Policy, and shall be forwarded with recommendations to the CSR Committee for approval and implementation. The CSR Committee will deliberate on the proposals and recommend the proposals for implementation to the Board.
- D. The Company will undertake the CSR activities identified and recommended by the CSR Committee, through the Company / associates / subsidiaries or such other entity/organization as permitted under the Act and the Rules framed thereunder. In the event the CSR activities are identified by way of the external agencies the CSR Committee shall ensure that the requirements of the Act and the Rules shall be fulfilled.

In case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount. Further the Company shall open as Unspent CSR account and transfer the unspent amount and shall comply with the requirements of the provisions of Sec 135 and rules made there under.

- E. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the 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.
- F. CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the board on the recommendation of CSR Committee, but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.
- G. The total expenditure incurred towards administrative activities including salary paid to the employees engaged in CSR activities will be limited to 5% of the total CSR expenditure attributable for the relevant financial year.

#### **VIII. MONITORING PROCESS**

- A. The Company recognizes that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of objects of the CSR Policy. Monitoring may be done periodically with the help of identified key performance indicators.
- B. Monitoring may be done in project mode by way of a continuous feedback mechanism or in such intervals as determined by the CSR Committee, and recourse shall always be available for mid-course correction in implementation, whenever required
- C. Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the CSR Committee to an external agency for the sake of objectivity and transparency.
- D. If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

The Board of the company shall satisfy itself that the funds disbursed to the entities for CSR have been utilized for the purposes and in the manner as approved by it and the executives / officers appointed as authorised under law or rules made thereunder shall certify the utilisation.

#### **IX. GENERAL**

The CSR Policy recommended by the CSR Committee and approved by the Board shall be displayed in the Company's website for public viewing. The report of the board of Directors of the Company shall also include an annual report on CSR activities in the prescribed format.

In case of any doubt regarding any provision of this Policy and in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

All provisions of the Policy would be subject to revision/amendment in accordance with law.