

Corporate Social Responsibility (CSR) Policy

1. Concept

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company operates.

2. Short Title & applicability

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 programmes for welfare & sustainable development of the community at large, is titled as the "**South City Projects (Kolkata) Limited CSR Policy**". It has been prepared keeping in mind the company's Code of Business Ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

Before the enactment of this policy & formation of the committee, the Company had initiated its efforts towards CSR and had incurred certain expenditure towards CSR activities

3. Policy Objective

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

The main objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

4. CSR Committee

i. Composition:

The Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more directors, out of which at least one shall be an Independent Director.

ii. Role: The Committee, referred above, shall

- a.** Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- b.** Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- c.** Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- d.** Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

iii. Role of Board of Directors:

- a.** The Board of Directors shall, after considering the recommendations made by the CSR committee, approve the CSR policy and the Annual CSR Action Plan of the company.
- b.** The Board of Directors shall endeavor that the Company spends 2% of the average pretax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
- c.** The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- d.** The Board may extend a non-ongoing project beyond one year based on reasonable justification.
- e.** The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
- f.** The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- g.** In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- h.** The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- i.** The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- j.** Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - i.** the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - ii.** the Board of the Company shall pass a resolution to that effect.

- iv. Meetings:** The CSR Committee shall meet as and when deemed necessary.
- v. Sitting Fees:** The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.
- vi. Quorum:** Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.
- vii.** The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

5. List of Activities/Projects

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- i.** Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water,
- 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;
- vi. Promotion and development of traditional arts and handicrafts;
- vii. Measures for the benefit of armed forces veterans, war widows and their dependents;
- viii. Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- ix. 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;
- x. Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- xi. Rural development projects;
- xii. Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively hereinafter referred to as "CSR Activities")

The CSR Activities shall be undertaken only in India for the benefit of the public and not only for the employees of the Company and their family. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

6. Quantum of Amount to be spent on CSR Activities

- i. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

- ii.** The Annual CSR Budget shall be spent on activities laid down in this Policy.
- iii.** Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.
- iv.** Any unspent/unutilised CSR allocation of a particular year, will be carried forward to the following year, that is, the CSR Budget will be non-lapsable in nature.

7. Implementation of CSR Activities

The Board shall ensure that the CSR activities are undertaken by the Company itself or through -

- a)** A company established under section 8 of the Act, or a registered public trust or a registered society, 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
- 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; or
- c)** any entity established under an Act of Parliament or a State legislature; or
- d)** a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities. Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar.

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes.

- a.** Programme objectives
- b.** Baseline survey – It would give the basis on which the outcome of the programme would be measured.
- c.** Implementation schedules- Timelines for milestones of the programme will need to be prescribed
- d.** Responsibilities and authorities

Major results expected and measurable outcome.

8. Procedure for CSR Activities

- i.** The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- ii.** The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- iii.** The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

9. Exclusions

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 CSR Rules, 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.
- iv)** activities benefitting employees of the Company.
- 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.

10. CSR Programmes

CSR programmes will be undertaken at various locations i.e., Corporate office, units and other business places of the Company in India to the best possible extent within the defined ambit of the identified Project/ Program. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

Identification of projects / programmes at various locations will be done by means of the following:

- a) Need identification Studies by the Senior Management/ professional institutions/agencies.
- b) Internal need assessment by cross-functional team at the local level.
- c) Receipt of proposals/requests from Charitable institutions and NGOs
- d) Suggestions from the Board of Directors/senior management level.

11. Monitoring And Feedback

The company should identify a person/Company Secretary who will monitor the amount to be spend for CSR activities and monitor effective implementation of CSR if any,

- a. Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
- b. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

12. Impact Assessment

- a) Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the Annual Action Plan.
- b) If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- c) The impact assessment reports if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.
- d) Impact assessment, if applicable may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

13. Capital Asset

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –

- a) A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

14. Transfer of unspent CSR Expenditure

If the Company fails to spend the determined CSR Expenditure (other than any ongoing project), the Board shall pass a resolution to transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Further, in case an amount remains unspent on any ongoing project undertaken by the Company, the same shall be transferred to a special account named 'Unspent Corporate Social Responsibility Account' opened within a period of thirty days from the end of the financial year, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Initiative's 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.

15. General

- a.** In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.
- b.** Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.
- c.** The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.