

**S D CORPORATION PRIVATE LIMITED**

**“Corporate Social Responsibility (CSR) Policy”**

## **Preamble - Why CSR:**

S D Corporation Private Limited ("**the Company**"), being a socially responsible corporate, acknowledges its role towards its stakeholders, the environment, its consumers, employees and most essentially, the social scenario in which it operates. CSR thus becomes essential part of our existence / DNA.

While our business is focused on improving the physical infrastructure and creating quality spaces by undertaking redevelopment projects, our CSR initiatives aim at improving the societal infrastructure by channelizing our energies for development of under-served communities and promotion of quality lifestyles.

## **Business with Social Vision:**

The Company's business revolves around various arrays of redevelopment. Our vision is to bring fresh lease of life to old and dilapidated structures and create landmarks out of ordinary spaces. In this process of redevelopment, we provide improved living conditions to marginalized urban poor community and thus focus on building a vibrant future for generations.

## **CSR Philosophy:**

The Company's CSR activities started in 2010 and has been an integral part of the business since inception. We aspire to make the entire ecosystem move with us in the process of growth and believe in effectively managing our internal and external stakeholders. Principles of **Shared Progress and Sustainability**, thus, form the core of our CSR philosophy.

In this regard, the Company has made 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 and sustainable development of the community at large and titles as the "**Corporate Social Responsibility (CSR) Policy**" based on the provisions of the Companies Act, 2013 and the Rules made there under.

This Policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its meeting held on March 3, 2015. The Board may, upon recommendation of the CSR Committee, amend or modify this Policy as and when necessary.

## **Our Vision for CSR:**

Our Vision is to promote Shared Development for every stakeholder of the Company, and the society at large.

We envisage stimulating collective growth by promoting enabling environment by crafting such opportunities that transform communities and inspire people to unleash their potentials and ultimately design collective actions for synergising development for all.

## **CSR Approach:**

Since our business and social commitment go hand in hand, we continue our responsibility towards the under-served people from local areas and areas around our operations for spending the amount earmarked for CSR activities. Thus, the areas in and around our project sites and the under-served community impacted by our projects constitute our preferred area and preferred community for CSR intervention, along with other marginalized communities, unprivileged people, migrant workers and so on.

But, in case of projects on Environmental Sustainability, Social Inclusion and other projects implemented by SD Foundation, the preferred area and preferred community is extendable to anywhere in India.

We shall engage in sustainable projects and programs. Donations and charity efforts will be solely for medical aid, education aid, disaster relief and alleviation of poverty.

We intend to empower families by connecting with at least one member of the family through our CSR projects. We concentrate more on making children, adolescent and young adults self-reliant, so that they are capable and empowered to continue being progressive in the forthcoming times.

## **Definitions:**

“Act” means the Companies Act, 2013, as amended and modified from time to time.

“Areas of Interest” means the areas of interest as identified by the Company for implementing CSR goals as per this Policy and shall include all CSR Activities as defined under the Act and the CSR Rules, as amended and modified from time to time;

“Board” means the Board of Directors of the Company as may be constituted or reconstituted from time to time;

“Company” means S D Corporation Private Limited;

“Corporate Social Responsibility (CSR)” means and includes but is not limited to:

- i) Projects or programs relating to activities specified in Schedule VII to the Act; or
- ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this Policy.

“CSR Committee” means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Act;

“CSR Activities” shall mean the activities that the Company shall undertake, which shall be funded by the Company in accordance with the Act and the CSR Rules;

“CSR Policy” means the CSR Policy of the Company.

“CSR Rules” means the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time.

“Employees” means the employees of the Company or employees of its holding or subsidiary or associate company.

“Funding” shall mean the disbursements that are to be made towards CSR activities as per this Policy, with the prior approval of the CSR Committee and the Board in accordance with the Act and the CSR Rules.

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

#### **Constitution of the CSR Committee:**

The CSR activities of the Company will be identified and initiated by the CSR Committee (‘the Committee’) comprising of 3 (three) members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the Committee by passing a resolution in the Board Meeting.

The members of the Committee shall elect one of them as the Chairman of the Committee. The Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company, subject to and in accordance with the provisions of Section 135 of the Act and the Rules made there-under.

The members of the Committee shall be the following:

Name	Title	Role in the CSR Committee
Mr. Srinivasan Iyer	Director	Member
Mr. Vishwas More	Director	Member
Mr. Subodh Pagnis	Director	Member

#### **Invitees to the CSR Committee:**

The Committee may, at its discretion, invite anyone having expertise in CSR activities to participate in the meetings of the CSR Committee and assist in the implementation of the CSR Policy. Invitees to the Committee meetings shall be entitled to participate in the deliberations of the Committee, but will not be entitled to vote at the meetings of the Committee.

#### **Scope of the CSR Committee:**

The Committee has been set up to:-

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;

- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy;
- Monitor the CSR Policy of the Company from time to time

#### **Creation of Trust:**

The Company has initiated SD Welfare Trust, registered under Mumbai Public Trust Act, 1950, to channelize the social initiatives.

Our CSR projects would be primarily developed, implemented and monitored through this Trust, however, as per the decisions of the Committee, other competent partners could also be directly involved for designing and managing the CSR projects.

#### **Meetings of the CSR Committee:**

- The Committee shall meet as frequently as it deems necessary. It shall maintain minutes of each of its meetings.
- The Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of funding in accordance with the Committee Charter. The final decision with regards to the acceptance or rejection of a CSR Proposal shall be with the Board.

#### **Decisions by the CSR Committee:**

- The Committee shall, at all times, act in a manner that is consistent with the provisions contained in this Policy, the Act and the CSR Rules.
- The CSR Committee shall endeavour to arrive at all decisions by a consensus of all Members. However, in the event the Committee is unable to arrive at such a consensus, the Chairman of the Committee may make the final decision.
- All decisions of the Committee shall be ratified by the Board.

#### **Corporate Social Responsibility Activities:**

The Company shall, upon the recommendation of the CSR Committee and with necessary approval of the Board, undertake any of the following activities as a part of its CSR initiatives that are specified in Schedule VII of the Act :

##### a) Areas of Interest:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh setup 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund setup 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;

7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

8. 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;

9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

10. Rural development projects;

11. Slum area development;

Provided that, the activities that are undertaken by the Company in pursuance of its normal course of business and the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.

(b) The Company may update the above list of activities as per Section 135 and Schedule VII of the Act as amended from time to time.

(c) The Company focuses its philanthropy primarily in geographic regions of India where it has a business presence. However, the Company may contribute to causes in other parts of India, if the Committee is of the opinion that such contribution is appropriate.

#### **CSR Budget:**

For each financial year, the minimum amount available for CSR expenditure will be defined in accordance with the applicable provisions of the Act and other relevant laws.

The total budget for the CSR projects will be decided by the CSR Committee.

- If the Company fails to spend such amount, the Board shall, in its report made under sub-section (3) of section 134 of the Act, specify the reasons for not spending the prescribed amount.

- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

- CSR expenditure shall include all expenses including contributions to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but shall 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.

## **CSR PROCESS:**

### **Project Identification**

Project would be identified based on any one or combined inputs as stated below:

1. Need based short term and long term initiatives on the identified theme areas
2. Engagement and deliberations with the key stakeholders, subject experts, competent organizations, consultancies, institutes and government authorities for project identification
3. Alignment with the Group CSR policy wherever applicable
4. Regulatory requirements as applicable

### **Project Planning**

Identified projects will be presented in detailed project proposals, covering project objectives and realistic goals, impact areas, targets, various stakeholders to be involved, including project partners and recipients of projects, project timelines and resources required.

### **Project Implementation**

Projects would be implemented as per the plan and with the help of partner organization. The project team would be provided with additional training, if required.

### **Our approach to implementation:**

We will strive to implement the aforesaid CSR activities on our own to the extent possible. However, the principle implementer of our CSR activities would include:

Collaborating with various organisations which are registered as a Trust or a Section 8 company under the Companies Act, 2013 or a Society or NGO or any other form of entity incorporated in India that specialise in CSR activities.

### **Selection of Partners**

The project would be developed and implemented with the help of competent external partners. The external project partners would be selected on the basis of:

1. Subject expertise
2. Track record in the specific theme / focus area
3. Ability to reach the community

Project Partners may include any one or more forms below:

- Competent NGOs, academic institutes, consulting organizations, local Government and District authorities and any other competent organizations having relevant expertise and experience.
- Individual subject experts and or consultants may also be involved as project partners, whenever required.

### **Project Monitoring and Evaluation**

Our projects aim at effectively and transparently implementing CSR projects for marginalized communities.

The project would be reviewed with the help of a set review and feedback mechanism to manage three R's (Reach, Resources, Results) with specified timelines.

The project timelines may be realigned and resources be reallocated on the basis of project review.

**Monitoring Mechanism:**

(1) Organizations receiving funding will be required to provide evaluation information on a periodic basis with details on the status of the CSR Activities, including details concerning the project deliveries, costs incurred; in a manner prescribed by the Company.

(2) A summary of these reports shall be tabled before the meetings of the CSR Committee.

(3) Detailed reports will be available for further perusal of the members of the Committee, as may be required.

(4) The Company reserves the right to suspend payments to an organization that delays or fails to provide, to the Company's satisfaction, details concerning the use of the funding

**CSR Communication:**

The Company may communicate information about its CSR policy and implementation through any of the following channels:

- CSR section on web site
- Newsletter/internal magazines to feature CSR update
- Corporate presentation of all Group Companies to reflect CSR
- Branding at project site "Supported by SD Foundation"

The Company shall also in its Annual Report, publish CSR activities in the manner prescribed under the Act and the CSR Rules.