

# **CORPORATE SOCIAL RESPONSIBILITY POLICY**

[Under Section 135(3) of the Companies Act, 2013 {Act} read with Companies  
(Corporate Social Responsibility Policy) Rules, 2014]

## **HN SAFAL INFRA DEVELOPERS PRIVATE LIMITED**

*This policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of HN Safal Infra Developers Private Limited and provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2013. This policy will at all times be subject to the provisions of the aforesaid act and rules (as amended from time to time).*



### **OVERVIEW AND CSR PHILOSOPHY**

We at HN Safal Infra Developers Private Limited ('HN Safal') are conscious of the fact that our activities have a direct and immediate effect on our employees, stakeholders and society as a whole – not to mention the wider natural world.

Even much before the enactment of CSR Regulations; Company was aware of its Corporate Social Responsibility and was fulfilling the aspiration of the Society through its own Policies. At HN Safal, Corporate and Social Responsibility is not given mere lip service, but is honored in letter, spirit and deed. For Company in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities.

To further the Company's CSR philosophy, a formal policy on CSR is being formulated and adopted as a strategic tool for sustainable growth to align its practices with requirements of Companies Act, 2013 and rules made thereunder.

### **CSR PROJECTS, PROGRAMS AND ACTIVITIES**

HN Safal may undertake various CSR projects, programs and activities from time to time. HN Safal may also contribute towards any existing or ongoing CSR projects, programs and activities. Such projects, programs and activities will be undertaken keeping in mind the CSR philosophy of the Company and in alignment with the permissible activities under the Companies Act, 2013 and rules framed under (as amended from time to time). It shall be at the discretion of the Company to undertake, modify, implement and cancel CSR projects, programs and activities from time to time as it deems fit.

***Without prejudice to the generality of the aforesaid, HN Safal may from time to time undertake any project, program and activity on one or more of the following areas:***

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation [including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of 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 centres 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 [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga];
- (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; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPE) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or 6[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;

- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by 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 Organisation (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)]
- (x) rural development projects.
- (xi) slum area development. Explanation.— For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

Any other projects, programs and activities falling within the permissible activities prescribed under Companies Act, 2013, rules made thereunder, any circular/notification/guidelines/clarification issued thereunder.

### **BUDGET**

It shall be the endeavor of the Company to spend in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.

### **MODE OF CARRYING OUT CSR ACTIVITIES**

HN Safal may carry out the CSR activities either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Companies Act, 2013 or through one or more of the modes in such manner as it deems fit. HN Safal may also collaborate with other companies for undertaking projects, programs and activities in such manner as it deems fit.

The CSR initiatives shall be undertaken by the Company as per its stated CSR Policy as Projects or Programmes or Activities (either new or ongoing). The CSR activities shall be undertaken 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
- 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
- any entity established under an Act of Parliament or a State legislature; or
- 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.



The Company shall undertake its CSR activities only through entities having a valid CSR Registration Number issued by Central Government.

The Company may also undertake multi-year projects (“Ongoing Projects”), in fulfilment of its CSR obligation and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

The Board shall monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and shall make modifications, if required, for smooth implementation of the project within the overall permissible time period. The Company may also collaborate with other companies for undertaking CSR projects in such manner that the CSR Committees of respective companies are in a position to report separately on such projects. In identifying the CSR Projects local area and areas around the Company’s establishments shall be given preference.

#### **CSR SPENDING**

The administrative overheads shall not exceed 5% of total CSR expenditure of the company for a financial year.

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 the amount spent in any financial year exceeds the requirement of 2% as stated above, such excess amount can be set-off against the CSR spending requirement for the immediately succeeding three financial years, subject to the following:

- The excess amount shall not be the surplus arising out of CSR activities.
- Board shall pass a resolution for setting-off.

The CSR amount spent for creation or acquisition of a capital asset, which may 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 or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

Any amount remaining unspent under Section 135(5) of Companies Act, 2013, pursuant to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called 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.



The CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities.

#### **CSR COMMITTEE**

The Board of Directors of the Company shall constitute a committee called the “Corporate Social Responsibility Committee” (“CSR Committee”) in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The CSR Committee will consist of such number of directors as the Board of Directors of the Company may determine from time to time. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- (i) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013, rules and schedules thereunder;
- (ii) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities.
- (iii) Determine modalities of execution of such CSR projects, programs and activities
- (iv) Undertake all necessary steps to implement the CSR activities
- (v) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- (vi) Monitor the CSR activities from time to time in such manner as it deems fit
- (vii) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time
- (viii) To perform such functions as may be entrusted by the Board of Directors from time to time.

#### **IMPACT ASSESSMENT**

When the company has an average CSR obligation of Rs.10 crores or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of Rs.1 crore or more, and which have been completed not less than one year before undertaking the impact study. Further, such impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR. The expenditure for such impact assessment can be accounted under CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs.50 lakhs, whichever is less.

#### **MONITORING & REPORTING PROCESS**

CSR Committee shall monitor the implementation of various programs, projects and activities in such manner as it deems fit. CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process. CSR Committee shall ensure that a transparent monitoring mechanism is put in place.



The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year.

The CSR Policy and the annual report on CSR activities shall be reported as statutorily required and as warranted, such as Company's website, Annual Reports, in-house journals and through the media.

#### **AMENDMENTS**

*The Policy may be reviewed and amended from time to time.*

#### **DISCLOSURE**

*All disclosures, display and reporting requirement related to CSR shall be made in accordance with the provisions of the Act and Rules made thereunder.*

*Without prejudice to the generality of the contents of this policy, the Company may undertake CSR projects, programs and activities as permitted under the framework of Companies Act, 2013 from time to time (including any amendments, clarifications, circulars, notifications or other official communications from time to time). The Company may also carry out the purposes of this CSR policy in accordance with any amended position of law from time to time notwithstanding that such amended position is not reflected in this policy.*