

SHIVAM CONDEV PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE:

Corporate Social Responsibility (“CSR”) is a form of corporate self-regulation integrated into a business model. The concept of CSR is strongly connected with the principles of sustainability. CSR is a company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates.

Shivam Condev Private Limited (the “Company”) believes in integrating its business model with the social welfare of people and society in which it operates.

SCOPE, APPLICABILITY AND TITLE:

This Policy on Corporate Social Responsibility 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 and is titled as “CSR Policy of Shivam”.

This Policy shall apply to all CSR initiatives and activities taken up at various work centers, branches and locations of the Company.

OBJECTIVES:

The objective of this CSR policy is to promote socio-economic development in rural / urban areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empower women, reduce child mortality and improve maternal health, health care and sanitization, ensuring environmental sustainability, encourage employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of common good.

Promotion and financing any other activities to be advised by the Government or approved by the Board from time to time.

THE RESPONSIBILITY OF THE BOARD IN IMPLEMENTATION OF CSR RULES:

1. The CSR Committee of the Board shall share a detailed plan of the CSR activities to be executed, recommend the amount of expenditure to be incurred on CSR activities, agencies like Trusts, Societies, individuals etc. to implement such CSR activities and the roles and responsibilities of such Trusts, Societies, individuals,, monitoring and reporting mechanism and other related matters. The Committee shall formulate and recommend to the Board the activities to be undertaken by the Company, in areas or subjects specified in Schedule VII or any other activity permitted by the Ministry of Corporate Affairs (‘MCA’) of Government of India (‘Government’) from time to time.

CSR COMMITTEE:

A Company falling under the ambit of section 135 of Companies Act, 2013 is required to form a CSR Committee.

Composition of Committee:

The Corporate Social Responsibility Committee (CSR Committee) shall comprise of two Directors.

Meetings of Committee:

The CSR Committee shall meet as and when required during a financial year. The CSR Committee may invite executives, advisors, representatives of social organizations, Auditors of the Company or such other person(s) as it may consider necessary to attend the meeting.

Quorum of Meeting:

The Quorum of the meeting of the CSR Committee shall be presence of both two directors.

FUNCTIONS AND RESPONSIBILITIES OF THE CSR COMMITTEE

The CSR Committee of the Board shall formulate and recommend a CSR policy to the Board, indicating the activities to be under taken under CSR policy, in accordance with Schedule VII of the Companies Act and any modifications made thereto by the Government / MCA from time to time.

The CSR Committee shall estimate and compute the amount of expenditure to be incurred on CSR activities on an annual basis or project to project basis. All the expenditure to be incurred towards CSR activities shall be approved by the Board, subject to such monitory ceilings as may be prescribed by the Company's Act. Unutilized CSR budget of a particular year shall be permitted for carryover to the next financial year as per the provisions of the Act.

The CSR Committee shall formulate and recommend to the Board, an annual action plan, in line with the approved CSR Policy, which shall include:

1. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. the manner of execution of such projects or programmes in accordance with the CSR Rules;
3. the modalities of utilization of funds and implementation schedules for the projects or programmes;
4. monitoring and reporting mechanism for the projects or programmes; and
5. details of need and impact assessment, if any, for the projects undertaken by the company;

The Board may alter such plan at any time during the Financial Year, as per the recommendation of the CSR Committee. The CSR Committee shall monitor the progress of the implementation of CSR projects and programs

The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the Company and also provide guiding principles for:

- i. Selection of CSR projects / programmes / activities
- ii. Implementation of CSR projects / programmes / activities
- iii. Monitoring of CSR projects / programmes / activities
- iv. Formulation of the annual action plan

SELECTION OF CSR ACTIVITIES:

CSR activities exclude the normal business activities of the Company. As per the CSR policy, the activities to be undertaken by the Company are the activities specified in Schedule VII of the Companies Act. The CSR activities may be either independent projects or programs or activities, either new or ongoing, but shall not include the activities that are undertaken in pursuance to the normal

course of the business. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities. Similarly, contribution of any amount directly or indirectly made to any political party shall not be considered as CSR activity. While, taking up any CSR activities and for spending the amount earmarked for CSR activities, preference shall be given to local areas and areas in and around where the branches operate.

The Company may cover all or any of the following activities undertaken in India. In other words, expenditure incurred on CSR projects or programs or activities undertaken outside India, are not eligible to be covered under CSR expenditure. The Company may spend its CSR contribution for any of the following activities:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care 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 centers 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 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;
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. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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. (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.)
13. Disaster management, including relief, rehabilitation and reconstruction activities.

The above areas as enshrined in Schedule VII to the Act and included in this policy aim to provide macro areas in which CSR projects should be undertaken by the company. The CSR Committee should consider details of CSR projects as elaborated in the annual action plan for each financial year.

The Company may also entrust such CSR activities to any other Company, Society or Trust with an established track record of 3 years in undertaking similar programs or projects. The modalities of utilization of funds on such projects and programs and monitoring and reporting the mechanism will be introduced by the Company.

The Company may also collaborate with other Companies, Trust, Societies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programs in accordance with the mechanism approved by the CSR Committee. Subject to the approval of CSR Committee, Company may also build the CSR capacities of their own employees or other implementing Agencies through institutions with the established track records of at least 3 financial years, but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

THE BOARD SHALL ENSURE THAT THE CSR ACTIVITIES ARE UNDERTAKEN BY THE COMPANY ITSELF OR THROUGH ANY OF THE FOLLOWING:

1. 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 (43 of 1961), established by the company, either singly or along with any other company or
2. 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
3. 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 aforementioned entity(s), who intend to undertake any CSR activity, shall register themselves with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from 01/04/2021. Provided that the provisions of this sub-rule shall not affect the CSR projects or programs approved prior to 01/04/2021.

The Board shall satisfy itself that the funds so disbursed for CSR activities have been utilized for the purposes and in the manner as approved by it and any director or the person responsible for financial management shall certify to the effect.

In case of ongoing projects, the Board 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.

CSR EXPENDITURE AND REPORTING:

There is no maximum ceiling for CSR expenditure by the Company. However, as per clause 135 of the Companies Act, the Company shall spend a minimum of 2% of average net profit of the preceding 3 financial years for CSR activities. The net profit means, the profit of the Company as per financial statements prepared in accordance with the applicable provisions of the Act but shall not include any profit arising from any overseas branch or branches, dividends received from any other Companies in India.

The expenditure for various projects, programs and activities shall be decided at the initial stage by the employees of the Company engaged in CSR and such projects, programs and activities would be placed before the CSR Committee to be approved and recommended to the Board for its approval. Once these projects, programs are approved by the Board, expenses for such activities may be permitted by the officer authorized by the Company.

The details of the expenditure incurred on various CSR activities under taken by the Company, the progress of various activities, balance amount to be spent etc. are to be internally reviewed and placed before the CSR Committee.

Any surplus arising out of the CSR activities 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 be spent in pursuance of CSR policy and the annual action plan of the company or shall be transferred to such Fund specified in Schedule VII, within a period of six months of the end of the financial year. Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

Any amount remaining unspent, pursuant to any ongoing project, upon fulfilment of such conditions as may be prescribed under the Companies Act, 2013, 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 for such unspent amount 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.

Where a company spends an amount in excess of requirement provided under sub-section of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that:

1. The excess amount available for set off shall not include the surplus arising out of the CSR activities;
2. The Board shall pass a resolution to that effect.

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4 of the CSR Rules or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities or a public authority.

The Board's Report shall include an Annual Report on CSR pertaining to a financial year, containing particulars specified in Annexure 2 of the Companies (CSR Rules) 2021.

The impact assessment reports, if applicable shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The expenditure on account of impact assessment towards Corporate Social Responsibility for that financial year, shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

MONITORING THE CSR ACTIVITIES:

Various CSR activities, projects and programs shall be monitored by the Company and progress shall be reported to be CSR committee at periodical intervals.

If the with average CSR obligation is of Rs. 10 crore or more than 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.

CSR GRIEVANCES:

The Company ensures full transparency in its CSR activities and ethical standards for CSR activities are followed. However, in case any stakeholder has any input, queries, grievance or complaint against any CSR Initiative or any implementing agency they can write to the Company at cs@shivamcondev.com

AMENDMENT IN POLICY:

In case of any doubt with regard to any provision(s) of the Policy, a reference can be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Board shall have the right to modify, add, or amend any provisions of this Policy from time to time.
