



**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

**CHD DEVELOPERS LIMITED**

## **CHD Developers Limited- Corporate Social Responsibility Policy**

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### **1. Preamble**

As a Company, CHD Developers Limited “CHD” is pro-active in undertaking Corporate Social Responsibility “CSR” even before the applicability of statutory mandate. CHD does not only believe in empirical growth but social growth and development as well. In fact, the purpose of CHD- “Creating Happy & Healthy Families across the World by Delivering beyond the Customer’s Expectation” drive CHD in all our endeavors. As realtors, the first and foremost responsibility of CHD is to take care of environment. Thus CHD has always prioritized sustainable designs and each project is carefully designed keeping in mind the idea of energy conservation and make it eco-friendly. The second core area, where CHD endeavors to direct its initiatives is welfare and upliftment of underprivileged sections of society including poor, girl child, uneducated people etc.

### **2. CSR at CHD**

As its responsibility towards society, CHD introduced “KomalAnkur” for the benefit of the society. Under KomalAnkur two of the most distressing issues ailing the society today are taken care of. One is of Environment Conservation and second is protection of Girl Child. Both initiatives have been taken to coordinate plantation and nurturing of trees with growth of girl child and to support her upliftment and free her from violence, illiteracy and modern slavery.

Under this project CHD has also started crèche(s) for the underprivileged to provide basic amenities for the kids of labours working on the various site(s). The crèche(s) provide shelter to children of labours and also provides indoor toys and games which was a farfetched reality for these children.

Corporate Social Responsibility involves a commitment to contribute to the economic, environmental and social sustainability of the communities through the ongoing engagement of stakeholders, active participation of communities impacted by Company activities and public reporting of Company policies and performance in the economic, environmental and social arenas.

### **3. CSR Policy**

According to the provisions of sub section (4) of Section 135 of Companies Act, 2013 the Board of Directors of CHD, after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and the

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policy is placed on the company's website [www.chddevelopers.com](http://www.chddevelopers.com), in the prescribed manner and ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

### **4. Objective**

CHD endeavors to not only to excel as a company but also bring about a positive social change, as we strongly believe true progress is impossible unless inclusive in nature. The guiding principles of CHD's CSR programs are implemented through two pronged strategy - Education and Participation. On one end we strive to educate more and more people and sensitize them on these social issues while on the other end we actively participate and make our contribution to bring that change in the country's social landscape.

All social initiatives at CHD come under the banner of ***KomalAnkur and CHD Sankalp***.

### **5. Statutory Provisions**

Section 135 Sub section (5)

“The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy”

*Explanation.*—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

### **6. Definitions**

In this policy unless the context otherwise requires:

- (a) ‘Act’ means the Companies Act, 2013 as amended from time to time;
- (b) ‘Corporate Social Responsibility’ means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time;
- (c) ‘Ministry’ means the Ministry of Corporate Affairs, Government of India, New Delhi

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(d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

(e) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board of Directors referred to in Section 135 of the Act as amended from time to time.

(f) 'CSR Policy' means this policy, as amended from time to time.

(g) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

### **7. CSR Committee**

As per provisions of the Companies Act, 2013, CHD Developers Limited has constituted a Corporate Social Responsibility Committee of the Board consisting of three directors, out of which one director is an independent director.

### **Functions of the Committee**

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

### **8. CSR Activities**

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably protect environment, spread/promote education, and improve the lives of underprivileged. CSR Activities that may be undertaken by the company shall include all the items or activities that are recognized as such under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. These are as follows as on today:

i. Eradicating hunger, poverty & malnutrition, promoting preventive health care and sanitation (including contribution to Swachh Bharat Kosh) and making available safe drinking water;

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- 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 Clean Ganga Fund);
- 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;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects and
- xi. Slum Area Development of the areas prescribed by Central Government as Slum Area.

The above areas shall be liberally interpreted so as to capture the essence of the subjects enumerated in the said Schedule. Clarifications/ notifications issued by Ministry from time to time shall be used to determine whether any activity is covered under prescribed activities mentioned under Schedule VII of the Companies Act, 2013.

Some of the above said activities may be undertaken by CHD under this policy. CSR activities shall be undertaken as projects, programs or activities (either new or ongoing), excluding activities undertaken in pursuance of the normal course of business of the Company.

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CSR projects or programs or activities undertaken in India only shall amount to CSRExpenditure. Further any activity that benefit only the employees of the company and their families shall not be considered as CSR activities.

### **9. The Geographic Reach**

The Act provides that the Company shall give preference to the Local Area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. The Company will thus give preference to conducting CSR activities in the localities, where it has its operations. However, the Committee may identify such areas other than stated above, as it may deem fit and recommend it to the Board for undertaking CSR Activities.

### **10. Annual spends**

The Company would spend not less than 2% of the average net profits of the company made during the three immediately preceding financial years. The surplus arising out of CSR activity will not be part of business profits of the company and it would be added back to the CSR spends.

The company may have its in house team, working on various CSR activities across different states where the Company operates. Salaries of all such personnel shall form part of the CSR expenditure.

The Company may build CSR capabilities of its own regular CSR staff as well as those of their implementing agencies through institutions with established track records of at least three financial years, but such expenditure shall not exceed 5% of total CSR expenditure of the company in any year.

### **11. Modalities**

The company shall execute various CSR activities which are in line with Clause 4 of this policy

1. through its own CSR staff or
2. through a registered trust or a registered society or a company established by the company under Section 8 of the Act or
3. by way of making contribution to a registered trust towards various activities carried out by such trust which are in conformity with areas / items mentioned under clause 8 of this policy or
4. in collaboration with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committee of the respective companies are in a position to report separately on such projects or programs in

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accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 or

5. Otherwise, in any other manner as may be permitted under the Act and the Rules, Provided that if such trust, society or company is not established by the company or its subsidiary or associate company, it shall have an established track record of 3 years in undertaking the activities in the areas as mentioned under clause 8 of this policy.

Managing Director or Chairman or any of the Executive Directors of the company shall from time to time approve the budget and the modalities of expenditure on any CSR activities which are in conformity with the CSR Policy and are within the overall ceilings on the spends as may be specified by the CSR Committee.

### **12. Monitoring**

The CSR Committee shall meet at least twice in a year to review the CSR activities undertaken by the Company.

At the beginning of every financial year, annual requirement of CSR spend shall be determined along with broad estimates of periodic spending and identified list of activities / areas with respective estimated spend. The balance of annual spends against which CSR activities are yet to be identified shall be separately indicated for decision during the year.

A periodic review, at regular monthly / quarterly intervals, shall be taken by Executive Directors, wherein they shall review -

1. Progress of various activities undertaken under CSR Policy.
2. Estimated CSR expenditure on identified activities and actual expenditure on them till date.
3. New activities identified with estimated expenditure.
4. Revised balance from the annual spends, not so far allocated to any identified CSR activity.

The Executive Directors shall, at every meeting of the CSR Committee, place a report based on the periodical review conducted by them. The CSR Committee shall review such reports and keep the Board apprised of the same.

### **13. Reporting and Disclosure**

The Company shall provide, in prescribed format as set out under Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of CSR initiatives and activities of the company in its Director's Report. The contents of this policy shall also be posted on the website of the Company.

**14. Amendments to the Policy**

Any or all provisions of this CSR Policy would be subject to revision/amendment by the Board of Directors on its own or on the recommendations of CSR Committee or else in accordance with the Regulations on the subject as may be issued by the relevant statutory authorities from time to time.

Any revision/amendment to the Policy as a result of such regulatory changes shall be carried out with the approval of the Managing Director.