



Segmental Infrastructure Development Ltd.

CIN: U70200HR2009PLC114856

Corporate Social Responsibility Policy

Segmental Infrastructure Development Limited

[In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments made thereof]

Purpose

Segmental Infrastructure Development Limited (Formerly known as Segmental Infrastructure Development Private Limited and Segmental Consulting & Infrastructure Advisory Private Limited) recognizes that, a Company, being a business citizen should go beyond having profit-making objective and to develop the society within its reach and accordingly, take initiative to contribute towards welfare of various segments of society by undertaking socially and economically useful programs for sustainable development of the community and society at large. The Corporate Social Responsibility ("CSR") will be conducted by the company with a focused intent on a regular basis and the Company will undertake series of initiatives that will be locally relevant. We believe in positively impacting the environment and supporting the communities we operate in, focusing on sustainability of our programs and empowerment of our communities.

1. Applicability & Scope:

Section 135 of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the "Rules") as amended from time to time lays down the frameworks and modalities for carrying out CSR activities by the qualifying companies.

The scope of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan by the Board of the Company.

This policy shall apply to all CSR initiatives and activities that will be taken up by the company at various locations for the benefit of different segments of the society.





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2. CSR Vision Statement, Objective and Limitations

Corporate Social Responsibility of the company 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.

Objectives

Objectives of this CSR Policy is to define the framework for undertaking CSR activities for achieving the CSR objectives of the Company and to lay down the guiding principles with respect to the following-

- CSR Spend
- Identification of CSR Projects
- Mode of implementation of the CSR Projects
- Formulation of an Annual Action Plan
- Manner of implementation of CSR Projects
- Manner of monitoring Mechanism of the CSR spend with respect to the CSR Projects undertaken by the Company

Limitations

In accordance with Section 135 of the Act and the Rules, the following activities would not qualify as CSR activities:

- (i) Activities benefitting 'employees of the Company, as defined in clause (k) of section 2 of the Code on Wages, 2019
- (ii) activities undertaken in pursuance of normal course of business of the company.
- (iii) One-off events such as marathons/ awards/ charitable contribution/advertisement/sponsorship of television programs, etc.
- (iv) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (v) any activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India; and
- (vii) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.





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3. Corporate Social Responsibility Committee

As per Section 135 (9) of the Act, where the CSR amount to be spent by a company does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of the Company.

Role of Board of Directors:

- a) The Board of Directors shall 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) To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) The Board of Directors of the Company shall disclose CSR Policy and Projects approved by the Board on their website, if any, for public access.
- e) The Board may extend a non-ongoing project beyond one year based on reasonable justification.
- f) The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
- g) 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.
- h) 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.
- i) The Board may alter the CSR Annual Action Plan at any time during the financial year based on reasonable justification to that effect.
- j) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- k) 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.





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CSR Expenditure

The Board shall ensure that the Company spends the following amounts for CSR activities in pursuance of this Policy, and complies with the following conditions as set out under the Act and the Rules:

(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.

(ii) 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.

(iii) Where a company spends an amount in excess of requirement provided under sub-section (5) 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 –

- a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of (iii) above; and
- b) the Board shall pass a resolution to that effect.

(iv) The CSR amount may be spent by a 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 under sub-rule (2) of rule 4; or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) a public authority:

(v) In the event the Company undertakes impact assessment in accordance with the Act and the Rules, it may book the expenditure incurred on such impact assessment towards CSR 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.

Implementation

(a) CSR activities may be initiated / implemented/ executed by the Company directly; or through-





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- (i) 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
- (ii) 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
- (iii) any entity established under an Act of Parliament or a State legislature; or
- (iv) 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.

(b) The Company may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that the Board/CSR committees of the respective companies are in a position to report separately on such projects or programs in accordance with the Act and the Rules.

(c) The Company may engage International Organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.

(d) The Board 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 the same.

(e) In case of ongoing project, the Board of a 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.

Monitoring

The Board to monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.

The funds to be disbursed shall be utilized for the purposes and in the manner as approved by the Board.





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The person responsible for financial management shall issue a certificate to the Board every year certifying that the funds disbursed are utilized for the purpose and in the manner as approved by the Board.

The Board of the Company will receive and review all the CSR progress reports on an annual basis. Implementation of this policy will be monitored and reviewed periodically by the Board.

The monitoring process will cover both programme and financial reviews.

Formulation of CSR Annual Action Plan

The Board is responsible for formulation of Annual Action Plan. The CSR Committee shall prepare and submit the Annual Action Plan to the board every year, which can be amended from time to time.

General

In case of any doubt with regards to any provision of the policy and in respect of matters not covered herein, a reference to be made to the Board. In all such matters, the interpretation & decision of the Board shall be final.

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 the Government from time to time.

The Board reserves the right to modify, add, or amend any of provisions of this Policy subject to approval in Board Meeting.

