

Versions

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1. INTRODUCTION

Kalpataru Limited is the flagship real estate company of the Kalpataru group, which is one of the leading real estate development groups in India. The Company has been focused on the development of premium residential, commercial, retail, integrated townships, lifestyle gated communities and redevelopment projects primarily in the Mumbai Metropolitan Region (MMR) & Pune

2. OBJECTIVE

The objective of this CSR policy is to lay down guiding principles for identification, implementation, monitoring and reporting of its CSR activities accordance with the provisions of the Companies Act and the Rules made thereunder.

3. CSR VISION

The Company is committed to improving the lives of the communities in which it operates in a sustainable way and being a responsible Corporate citizen.

The CSR Vision of the Company will work towards improving the quality of life in the local communities, society and the stakeholders through the CSR interventions/programs

4. NEED FOR CSR POLICY

4.1. Ministry of Corporate Affairs, Government of India has notified Section 135 being provision relating to CSR with effect from 1st April, 2014 and also notified rules namely the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from the said date. Since the Company falls under the criteria provided under the Section 135 (1) of Act, it is required to comply with the provisions relating to CSR. The Act requires the company to spend at least 2% of the “average net profit” made during 3 immediately preceding financial years on CSR activities as per CSR Policy.

4.2. The Company has been contributing to various CSR and philanthropic activities from time to time. Ministry of Corporate Affairs have promulgated the Companies Act 2013 necessitating each company meeting the thresholds to institutionalize the CSR activities. In this context, the Company has constituted the CSR Committee of its Directors who have recommended the CSR Policy to the Board of Directors.

5. CSR ACTIVITIES

5.1. The CSR activities to be undertaken by the Company as enumerated in this policy, may be carried out by the Company either on its own or in collaboration with other companies, through (a) a registered trust or (b) a registered society or (c) a company established under section 8 of the Act, in accordance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

5.2. The Company proposes to carry out the CSR activities in the following areas subject to the approval of the Board on the recommendation of CSR Committee from the time to time:

- (i) 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;
- (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 centers 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, agro-forestry, 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 natural 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 windows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- (viii) Contribution of the Prime Minister's National Relief Fund or 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 the 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;
- (xiii) Any other activities as may be permitted under Schedule VII to the Companies Act, 2013, for the time being in force.

- 5.3. Any amendments, additions or deletions in Schedule VII of the Companies Act 2013 shall be considered while proposing the CSR activities to be undertaken by the Company.
- 5.4. The Company shall give preference to the geographic areas where it operates, for spending the amount earmarked for CSR activities/projects.
- 5.5. The CSR activities carried out by the Company in pursuance of this policy shall exclude the activities undertaken in pursuance of the normal course of business.
- 5.6. Any CSR activity or project that benefit only the employees of the Company and their families shall not be considered as CSR for the purpose of this Policy.

6. CARRYING OUT OF CSR ACTIVITIES

The CSR activities shall be undertaken by the Company either itself or 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 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) 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 ensure that every entity through which the Company proposes to carry out CSR activities is registered with the Ministry of Corporate Affairs and has a valid CSR registration number as stated in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

The Company may also engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. Such engagement shall have approval from CSR Committee of the Company.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities including the Group companies. However, for such joint projects, it shall be ensured that respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014

(as amended from time to time).

7. ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this CSR policy, which shall include the following, namely:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) 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 its CSR Committee, based on the reasonable justification to that effect.

8. CSR EXPENDITURE

- (1) The administrative overheads on the CSR activities of the Company shall not exceed five percent of total CSR expenditure of the company for the particular financial year.
- (2) 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 CSR Project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company.
- (3) If the Company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Act, 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-
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of rule 7 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014.
 - (ii) the Board of Directors shall pass a resolution to that effect.
- (4) In case the Company creates or acquires a capital asset from CSR funds, it shall ensure that such capital asset 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 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014; or
 - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) a public authority:

9. ALLOCATION OF FUNDS

KL shall allocate funds to the tune of at least 2% of the average net profits of the company during the immediately preceding three financial years towards the CSR activities as mentioned above. The CSR Projects shall be carried out after approval of the Board and CSR Committee shall provide their recommendations to the Board on the proposed CSR Projects.

CSR Projects / Programs will be identified and budgets will be allocated through a process incorporating identification of suitable implementing agencies, need assessment (where required) and clear outlining of desired outcomes. In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

9.1 In case the project is not an 'on – going' project

- a. Transfer such unspent amount to the below mentioned Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
 - Prime minister's national relief fund,
 - Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund and
 - Clean Ganga Fund Page

9.2 In case the project is or is to be considered as 'Ongoing project'

- a. Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;
- b. Open an 'Unspent CSR bank account' and transfer the amount which is unspent/ unutilized on the approved CSR project within a period of 30 days from the end of the Financial Year;
- c. Ensure completion of the project within 3 years from the date of such transfer to the 'unspent CSR bank account' of the Company.

In case of ongoing project, 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.

Any amount remaining unspent under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project, undertaken by the Company 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.

10. MONITORING OF PROJECT AND FUND UTILIZATION

- 10.1. The CSR Committee to monitor the implementation of projects/programs/activities as approved by the Board from time to time based on the recommendation of the CSR Committee.
- 10.2. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company
- 10.3. The Chief Financial Officer of the Company shall certify to the CSR Committee and Board on an annual basis that the funds disbursed by the Company for CSR activities have been utilized for the purposes and in the manner as approved by CSR Committee / Board of Directors. The CSR Committee shall monitor the implementation of CSR Projects. The Company shall obtain Project Implementation Report from respective Implementing Partners / Agencies / NGOs upon completion of the project. The Company shall also present CSR project monitoring report to CSR Committee on annual basis.

11. ARRANGEMENT FOR CARRYING OUT CSR ACTIVITIES

- 11.1. The primary responsibility for carrying out the CSR activities is on the CSR Committee s constituted by the Board of Directors of the Company. The Committee members can take the support of and engage external consultants, Central/ State/ Local Governments/ NGOs and other implementation partners from time to time as they may deem fit.
- 11.2. The Committee may constitute small groups from the employees of different sections for carrying out CSR related activities under its supervision.
- 11.3. Company shall encourage and support its employees to contribute their time and skills towards identified CSR activities

12. DISCLOSURE/REPORTING

As required by the provisions of the Companies Act and Rules made thereunder, the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on its website for public access. The CSR Committee shall forward a report to the Board on an annual basis containing particulars as stated under Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Board's Report of the Company pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II to the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable.

13. POLICY DOCUMENTS TO BE REFERRED FOR IMPLEMENTATION OF CSR ACTIVITIES

- a) CSR policy of the Company

Any subsequent notification / circular / amendments / modification / revision / addendum to the aforesaid acts and rules issued by the Ministry of Corporate Affairs, Government of India.

14. GENERAL

- a) CSR Committee shall ensure that the CSR activities/projects/programs, pursuant to this policy, shall be strictly in accordance with the provisions of Section 135 of the Companies Act, 2013 relating to CSR and Companies (CSR) Rules, 2014 as amended from time to time. CSR Committee shall ensure that all the CSR Activities/Projects/Programs are aligned/ re-aligned according to the regulatory framework from time to time by recommending to the Board.

- b) The CSR Committee shall review the CSR policy at the interval of at least once a year (or such other periodicity as may be prescribed in this regard under Companies Act 2013 and Rules made thereunder) from the date of this policy coming in to force.

PLACE : MUMBAI
DATE :