

CORPORATE SOCIAL RESPONSIBILITY POLICY(CSR)

CSR in India

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been engaged in doing CSR activities voluntarily, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance. The new Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

Objectives

The main objective of the CSR Policy is to lay down guidelines for activities to be undertaken as specified in Schedule VII of the Act and also Prime Property Development Corporation Ltd. (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas for making a positive contribution to society through high impact, sustainable programs.

This Policy covers current as well as future CSR activities to be undertaken by the Company in India only from amongst the following sectors as identified by the CSR committee and approved by the Board , from time to time:-

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among students, children, women, elderly and the differently abled and livelihood enhancement projects by providing/re-imbursing fees, books, hostels and other expenses.
- 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;
- 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 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects presently through its Trust or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

Constitution of committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of atleast One Independent Director.

3.2 Powers of the Committee

Following are the Powers of the CSR Committee:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- (ii) Recommend CSR activities as stated under Schedule VII of the Act
- (iii) Recommend the CSR Budget to the Board.
- (iv) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives in India
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company

(viii) Monitor CSR Policy from time to time

(x) Authorize executives of the Company to attend the CSR Committee Meetings

Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet atleast once in a year till the time it comes within the ambit of section 135 and rules framed thereunder.

Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Minutes of the CSR Committee shall be placed before the Board for noting.

CSR spends

The Act mandates companies to allocate 2% of its average net profits during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

CSR Expenditure:

Net profit means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company

CSR INITIATIVES

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to propose any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

Disqualifying Activities for CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company only for benefit of the employees of the Company and their families. The CSR activities implemented outside

India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

5.4 Monitoring Mechanism

The CSR Committee shall monitor

1. Evaluation of Planned progress V/s Actual Progress
2. Actual expenditure V/s expenditure as per Approved Budget

Publication of the CSR Policy

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.