

Aurobindo Realty & Infrastructure Private Limited Corporate Social Responsibility Policy

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Corporate Social Responsibility Policy

1. Scope

This policy shall apply to all projects/programmes undertaken as part of the Company's Corporate Social Responsibility, to ensure such projects/programmes comply are in alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 ('Act') and the Rules made thereunder.

2. Governance

Board of Directors

The Board of Directors shall be responsible for approval of CSR policy, CSR annual action plan including powers to update, alter, modify or amend the CSR plan at any time during the financial years to as recommended by Corporate Social Responsibility Committee (CSR Committee) of the Company and ensure that in each financial year the Company spends the minimum CSR obligations as per Section 135 of the Act and the Rules made thereunder.

CSR Committee

The CSR committee shall be responsible for formulating the CSR policy in compliance to Section 135 of the Companies Act 2013 and to administer the policy through implementing partner(s) or via self-implementation.

The CSR Committee shall recommend to the Board an Annual CSR Action Plan delineating the CSR projects or programmes to be undertaken during the financial year to be undertaken as per Schedule VII of the Companies Act 2013, CSR expenditure to be incurred, modifications to the CSR policy/ annual CSR Action plan, as and when required.

The CSR committee is to ensure that projects/programmes are compliant with regulations and are monitored and reported effectively.

Wherever the constitution of CSR Committee is not required to be constituted by Section 135(9) of the Act, the Board of Directors shall discharge the functions of CSR Committee as provided under Section 135 of the Act and rules made thereunder.

3. CSR projects/activities: The thrust of CSR shall be in the following areas:

- a. Rural development initiatives
- b. Eradication of hunger and malnutrition.
- c. Community health care – Health and hospital infrastructure and equipment; Health camps; Medical treatment
- d. Upliftment of marginalized and differently abled communities through Education interventions
- e. Drinking water, sanitation and hygiene programs
- f. Empowerment of communities, women to ensure inclusive socio economic growth

- g. Other activities (rural sports, disaster relief, safety, army welfare, protection of art and culture, animal welfare etc)
- h. Such other activities as may be permitted under the laws.

The CSR activities undertaken by the Company shall at all times shall be as per Schedule VII to the Act.

4. CSR annual action plan

The CSR Annual Action Plan shall include the following:

- 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
- 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
- e. details of need and impact assessment, if any, for the projects undertaken by the company and
- f. any other matter as may be required under the Act and the rules made thereunder.

5. Implementation

- The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy either directly or through an implementing partner as specified under Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and registered with the Central Government.
- External organisations including international organisations may be engaged for designing, monitoring and evaluation of the CSR projects or programmes as per the CSR policy as well as for capacity building of the Company's own personnel for CSR. The Company may also implement programme in collaboration with other company(ies), if feasible and the Companies are in a position to report separately on such projects or programmes.
- In case of ongoing projects, the CSR Committee shall also monitor the implementation with reference to the approved timelines and year-wise allocation. The CSR Committee is empowered to make modifications for implementation of on-going projects.

6. Monitoring of CSR Activities

The CSR Committee shall such no. of times but atleast once in a financial year to recommend the annual CSR budget plan, oversee the implementation & monitoring of all CSR projects/ programmes and to provide periodic reports to the Board for its review.

The CSR Committee will institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/programme has clear objectives developed out of the societal needs,

timelines and measurable indicators, wherever possible and ensure progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and the rules made thereunder.

The Chief Financial Officer or the person responsible for financial management shall certify that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by the Board/CSR Committee.

7. CSR Spend

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the company in areas or subject specified in Schedule VII of the Companies Act 2013, as amended from time to time.

a. Unspent CSR amount

Any amount remaining unspent pursuant to any ongoing project shall be transferred within a period of 30 days from the end of the financial year to a special account 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 3 financial years from the date of such transfer, failing which the amount remaining unspent at the end of the 3 financial years in Unspent Corporate Social Responsibility Account' shall be transferred to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

Unspent CSR amount other than the amounts related to ongoing projects, shall be transferred to a Fund specified in Schedule VII within a period of 6 months of the expiry of the financial year.

Explanation:

Ongoing Project means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

b. Surplus arising out of CSR Spend

Any surplus arising out of CSR activities shall not form part of business profits of the Company. The Surplus amount shall be ploughed back into the same project or shall be transferred to the Unspent Corporate Social Responsibility Account and spent pursuant to this policy and annual action plan (or) transfer such surplus amount to the Fund specified in Schedule VII of the Companies Act 2013 within six months of the expiry of the financial year.

c. Excess CSR Spend

In case the Company spends an amount in excess of the requirement under Section 135 of the Companies Act, 2013, such excess amount may be set off against the future CSR Spend up to immediate succeeding three financial years subject to the conditions prescribed under the rules.

8. Reporting and Disclosures

- The Board shall include in its report to the shareholders, the annual report on CSR activities including impact assessment report, if applicable, as per the format specified under the Act and the Rules made thereunder.
- The composition of the CSR Committee, CSR Policy of the Company and projects approved by the Board shall be displayed on the website of the Company.
