

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF OMAXE LTD.**

### **[IN TERMS OF SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014]**

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Omaxe Ltd. to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

Omaxe Ltd. recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company endeavours to make CSR a key business process for sustainable development. The Company is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature; and has adopted eco-friendly practices.

#### **Guiding Principles:**

Omaxe Ltd. is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

#### **Definitions:**

Definitions of some of the key terms used in this policy are given below:

- a) **'Act'** means Companies Act, 2013 read with Rules made thereunder, as amended from time to time.
- b) **'Administrative Overheads'** means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular.
- c) **'Annual Action Plan'** means a plan formulated by the CSR Committee and recommend to the Board, in pursuance of the CSR Policy, which shall include the following:
  - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act;
  - (ii) the manner of execution of such projects or programmes as specified in the Rules;
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the Company.
- d) **'Board'** means Board of Directors of the Company.
- e) **'Corporate Social Responsibility'** or **'CSR'** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act but shall not include the following:

- (i) activities undertaken in pursuance of normal course of business of the Company;
  - (ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - (iii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
  - (iv) activities benefitting employees of the Company as defined in Section 2(k) of the Code on Wages, 2019;
  - (v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
  - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- f) **'CSR Committee'** means CSR Committee of the Board.
- g) **'CSR Policy'** means this policy of the Company which relates to the activities to be undertaken by the Company pursuant to Section 135 and Schedule VII of the Act including guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan and matters incidental thereto including the expenditure thereon.
- h) **'International Organisation'** means an organisation notified by the Central Government as an international organisation under Section 3 of the United Nations (Privileges and Immunities) Act, 1947, to which the provisions of the Schedule to the said Act apply.
- i) **'Net Profit'** means Net Profit as defined in the Act.
- j) **'Ongoing Project'** means a multi-year project undertaken by the 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.
- k) **'Public Authority'** means Public Authority as defined in the Rules.
- l) **'Stakeholder'** means and includes:
- Local community;
  - Employees;
  - Shareholders;
  - Suppliers/vendors/consultants;
  - Contractors;
  - Service providers;
  - Any other person including workers involved in construction and allied activities of the Company or category of persons, as may be prescribed in the Act and/or by the CSR Committee including society at large.

Words and expressions not defined in this Policy shall have the same meaning as defined in the Act.

## **Principles CSR Activity (ies) and programme(s)**

To attain its CSR objectives in a professional and integrated manner, the Company may, inter alia, undertake the activity (ies) and programme(s) identified under Schedule VII of the Companies Act, 2013, from time to time, and the following:

1. Undertake proactive engagement with stakeholders to actively contribute to the socioeconomic development of the periphery/community in which it operates.
2. Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
3. 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;
4. Eradicating hunger, poverty and malnutrition, promoting 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;
5. Promoting education, including special education and employment enhancing vocation skills especially among children, women, construction workers, elderly, and the differently abled and livelihood enhancement projects;
6. 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;
7. Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
8. Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
9. Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centres for the mother and child as well as the elderly.
10. Rural development projects;
11. At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families.
12. 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;

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan. The details of each of the CSR activities/ programmes undertaken during a financial year shall be set-out in the Annual Action Plan. The Board may alter the Annual Action Plan at any time during a financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

The Company shall give preference to the local area and areas around it where it operates, for undertaking/ implementing/ executing/ collaborating for CSR Activities.

**Composition of the Committee:**

In compliance with the requirements of Section 135(1) of the Act, a CSR Committee has been constituted by the Board. The CSR Committee at all times shall comprise a minimum of 3 directors out of which at least 1 director would be an independent director.

The CSR Committee shall institute transparent monitoring mechanism for implementation of the CSR Activities undertaken by the Company.

**Brief description of terms of Reference**

The Committee functions in accordance with the terms of reference as specified under the Act, and as may be specified by the Board from time to time, which inter-alia includes:

1. Formulate, Monitor and recommend, to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in area or subject as specified in Schedule VII of the Companies Act, 2013;
2. Recommend to the Board, modification to the CSR Policy as and when necessary;
3. Ensure the activities included by a company in its CSR policy are related to the activities of Schedule VII of Companies Act, 2013;
4. Recommend the amount of expenditure to be incurred on the activities;
5. Develop internal operating structure and transparent monitoring mechanism;
6. Periodically monitor the implementation of CSR Policy and Projects of the Company;
7. Formulation of Annual Action Plan in accordance with the provisions of Companies Act, 2013; and
8. Consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation including the SEBI Listing Regulations and the Act.

**Implementation and Governance:**

To implement the Company's CSR activity (ies) and programme(s) through Company personnel or through external implementing agency(s) or through other Trust(s), Foundation(s), and Section 8 company(s) that may be established by the Company from time to time or as prescribed under Section 135 of the Companies Act, 2013 and rules made thereunder. In such cases, the Company will specify the CSR Programme(s) which may be undertaken by those Trust(s) in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deeds/ Memorandum and Articles of Association.

The Board on the recommendation of CSR Committee may, inter alia, from time to time, approve the list of CSR projects or programs which Company plans to undertake falling within the purview of the Schedule VII of the Companies Act, 2013, specifying modalities of execution of such project or programs and implementation schedules for the same.

**Further:**

1. Every year, the CSR Committee may place for the Board's approval, a CSR Plan delineating the CSR activity (ies) and programme(s) to be carried out during any financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
2. The Corporate Social Responsibility Committee (CSRC) will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
3. The persons/bodies to which the implementation is assigned will carry out such CSR activity (ies) and programme(s) as determined by the CSRC within the specified budgets and timeframes and report back to the CSRC on the progress thereon at such frequency as the CSRC may direct.

**Maintenance and Review:**

1. The CSRC shall review the implementation of the CSR activity (ies) and programme(s) and issue necessary directions to ensure orderly and efficient execution of the CSR Programme(s) in accordance with this Policy.
2. The CSRC will provide a status update to the Board on the approved CSR activity (ies) and programme(s) carried out.

**CSR Allocation:**

The CSR Allocation for a financial year shall include – (a) at least 2% of the average Net Profits of the Company for the last three financial years; (b) any income arising there from; (c) surplus arising out of CSR Activities; and (d) any contribution specifically received for CSR Activities. Further, it is clarified that any surplus arising out of CSR Activities shall not form part of the business profits.

The CSR amount may be spent by the 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 the Rule; or (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority.

The Board shall ensure that the Administrative Overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

In case, the Company spends an amount in excess of requirement provided in Section 135(5) of the Act, such excess amount may be set-off against the requirement to spend Section 135(5) of the Act up to an immediate succeeding three financial years provided the same has been approved by the Board and passed a resolution to that effect and the excess amount available for set-off shall not include the surplus arising out of the CSR activities.

In case, the Company fails to spend the prescribed CSR amount in any financial year, the Board shall, in its report under Section 134(3)(o), specify the reasons for not spending the amount and, unless the unspent amount relates to any Ongoing Project, transfer such unspent amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

Further, any amount remaining unspent under Section 135(5) of the Act, pursuant to any Ongoing Project of the Company, fulfilling such conditions as may be prescribed, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account 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. Until a fund is specified in Schedule VII, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII to the Act.

**CSR Budget:**

The overall amount to be committed towards CSR will be approved by the Board upon the recommendation of the CSR Committee.

**CSR Expenditure:**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programme(s) undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programme(s) shall be used for CSR. Accordingly, any income arising from CSR Programme(s) will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

**Monitoring Mechanism:**

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the CSR Activities proposed to be undertaken by the Company.

The CSR Committee will ensure that the CSR Activities are undertaken in compliance with this CSR Policy and in a project or program mode with clearly defined project deliverables, implementation schedules, processes and budgets as mentioned above.

The CSR Committee will monitor the programs and projects to ensure that they are being carried out in compliance with this CSR Policy and the Act and in accordance with the approved budget.

**IMPACT ASSESSMENT:**

In case, the Company has average CSR obligation of ₹ ten crore or more in pursuance of Section 135(5) of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of ₹ 1 crore or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. In order to undertake impact assessment, the Company may incur an amount up to 5% of the total CSR expenditure for that financial year or ₹ 50 lakh, whichever is less and the same shall be considered as CSR expenditure for that financial year.

**Disclosures:**

The CSR Committee shall prepare an annual report on CSR, in the format prescribed under the Act and such report shall be included in the Board's report annexed to the financial statements. The report shall be signed by the Chairman of the CSR Committee, CEO/Director of the Company and such other person as may be prescribed. Further, The CSR Policy of the Company will be uploaded on the website of the Company. The disclosure, if any required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 to be made periodically.

**Amendments:**

The CSR Committee is empowered to recommend amendments or modifications to the CSR Policy and such changes shall be placed before the Board for approval. Where the CSR Policy is in variance with the requirements of the Act, the provision of the Act shall prevail.