

CORPORATE SOCIAL RESPONSIBILITY POLICY

PEGASUS PROPERTIES PRIVATE LIMITED

Revised Corporate Social Responsibility (CSR) Policy of Pegasus Properties Private Limited ('Company' or 'PPPL')

CSR in India

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally 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 a Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014, Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (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.

Introduction:

Pegasus Properties Private Limited (hereinafter called as "PPPL") was incorporated in the year 2007 by the promoters Mr. Avinash Bhosale, Mrs. Pushpa Jain, Mr. Amit Bhosale, Mr. Ameya Jain and Mr. Kewalkumar Jain, with the objective of earning profits by carrying business in Construction and Real Estate, but apart from the motive of profit earning, PPPL also aims to enrich society by helping poor and needy sections of people/society. Being a good corporate citizen is integral to PPPL's corporate purpose of advancing the way people live and work.

Definitions:

- (a) "Act" means the Companies Act, 2013 (18 of 2013);
- (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 Corporate Social Responsibility project or programme;
- (c) "Annexure" means the Annexure of the revised CSR Policy;
- (d) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the

Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- 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 clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- (f) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- (g) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act
- (h) "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;

Objective and Scope

The main objective of this CSR Policy is to lay down guidelines for PPPL to make CSR as one of the key focus areas to adhere to Indian Law on CSR that focuses on making a positive contribution to society through high impact, sustainable programs.

This Policy covers current as well as proposed CSR activities to be undertaken by PPPL and examining their alignment with Schedule VII of the Act as amended from time

to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

PPPL proposes to implement its CSR activities in any of the following sectors:

Our CSR Vision

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

Our CSR Mission

1. Ensuring socio-economic development of the community through different participatory and need- based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become **SELF-RELIANT** and build a better tomorrow for themselves.
2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & promoting biodiversity.

Our Activities

CSR Projects will be undertaken as envisaged under schedule VII of the Companies Act, 2013 and any changes / updations in the Companies Act, 2013 will be adopted.

However, our main focus that we pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The **focus areas** where special Community Development programs would be run are:

1. **Ensuring environmental sustainability and ecological balance–**
 - a) Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
 - b) Promoting alternate energy resources;
 - c) Promoting Energy efficient manufacturing processes
 - d) Promoting use of Renewable Sources of Energy for Manufacturing process;
 - e) conservation of natural resources
 - f) Maintaining quality of soil, air & water.
 - g) Adoption of wastelands to cultivate plants;
 - h) Promoting biodiversity;
 - i) Animal welfare and veterinary services.

- j) Technical support and Knowhow for improving farming and building capacities of small farmers.
 - k) Promoting agro-forestry.
- 2. Promotion of education especially among children, women, elderly and the differently abled including:**
- a) Non-formal education programs.
 - b) Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
 - c) Supporting other educational institutions.
 - d) Improving educational facilities in general.
 - e) Supporting children for higher education.
- 3. Rural Development Projects**
- 4. Other Activities**
- a) Welfare for differently disabled persons
 - b) Setting up public libraries
 - c) Reducing inequalities faced by the socially and economically backward groups
 - d) Promotion and development of rural sports and National Games
- 5. Any other area as may be prescribed in Schedule VII as amended from time to time.**

Corporate Social Responsibility (CSR) Committee:

- a) The CSR Committee of the Board of Directors shall consist as many directors as the Companies Act, 2013 or any other law for the time being in force shall prescribe from time to time. The functions of the CSR Committee shall be as under;
- b) To formulate and recommend to the Board, an annual action plan in accordance with the activities specified in schedule VII of the Companies Act, 2013 or any other directives issued by the Government from time to time;
- c) To recommend the amount of expenditure to be incurred on the activities included in the annual action plan;
- d) To monitor the implementation of the approved CSR projects and activities;
- e) Monitor the CSR Policy from time to time.

Our approach to implementation

PPPL may undertake CSR activities itself as and when required. However, the management of PPPL believes that the CSR activities should be undertaken by experts in the particular field, as such, the CSR spending is done by means of donations to various charitable institutions and other similar organizations, in the following manner:

1. 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
2. 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; Or
3. 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
4. any entity established under an Act of Parliament or a State legislature.

Registration and Collaboration:

- (a) Every entity, who intends to undertake any CSR activity on behalf of the Company, is required to register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the **01st day of April 2021**.
- (b) PPPL may collaborate with other group companies or its affiliates as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR Plan. PPPL has its own trusts through which it can carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities.

CSR Funds:

The corpus for the purpose of carrying on the CSR activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- Any income arising there from.
- Surplus arising out of CSR activities carried out by the Company and such surplus will not be part of business profit of the Company.

Administrative Overheads:

Administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year. However, expenses incurred directly for the designing, implementing, monitoring and evaluation of a particular CSR project shall not be considered as administrative Overheads.

Procedure:

In line with Schedule VII of the Act and the CSR Rules, PPPL 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 approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of PPPL based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of PPPL:

- (a) Tailor-made CSR projects depending upon the amount to be spent each year
- (b) Partnering agencies/companies/firms
- (c) Targeted Beneficiaries & their key needs
- (d) Alignment with Schedule VII
- (e) Project Goals
- (f) CSR Budget with projections
- (g) Monitoring Mechanism
- (h) Progress reporting and frequency of reports
- (i) Any other information as may be required by the CSR Committee

Monitoring

A Joint Working Group (JWG) comprising of employees of PPPL, and representatives of entities with which PPPL decides to collaborate for fulfilling its CSR obligations, will be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee. The JWG will submit periodic reports to the CSR Committee of PPPL on the progress of the various projects approved by the Committee and entrusted to the JWG for implementation and monitoring.

Unspent CSR amount:

- (a) An Unspent CSR Account shall be opened by the Company in any scheduled bank called "Unspent Corporate Social Responsibility Account". 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;

- (b) Unspent amount relating to Ongoing Projects shall be transferred within 30 days from the end of the financial year to the Unspent CSR Account. Such amount may be spent within 3 financial years from the date of such transfer.
- (c) Unspent amount not relating to Ongoing Project shall be transferred to any funds specified in schedule VII viz. Prime Minister's National Relief Fund, PM CARES Fund etc. within a period of 6 months from the end of the financial year.

Set Off:

If PPPL spends an amount in excess of 2% of average net profit of the three immediately preceding financial years, then such excess amount may be set off against the requirement to spend for CSR liabilities 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; and
- (b) the Board of the Company shall pass a resolution to that effect.

Creation or Acquisition of a Capital Asset:

Capital assets created or acquired by using CSR fund shall be held by the following:

- (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;
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

CSR Reporting:

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, as applicable, as per the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

Impact Assessment Study:

- (a) If the Company has average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, for those CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

- (b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- (c) The expenditure towards undertaking impact assessment shall not exceed 5% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

Publication:

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 PPPL website, if any.

Amendments:

If the terms of the policy differ from any existing or newly enacted law, rules, regulations, guidelines, directives or standards governing the Company then such law, rules, regulations, guidelines, directives or standards issued by the Government will take precedence over this policy until such time this policy is changed to that effect.

Conclusion:

PPPL is committed to enrich and enhance quality of life of people by creating sustainable economies and by finding environment friendly solutions to local problems.