

Neelkanth

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Effective from December 23, 2024)

NEELKANTH REALTORS LIMITED – CSR POLICY

PREAMBLE

Corporate Social Responsibility (CSR) is the commitment of Neelkanth Realtors Limited (hereinafter referred to as "the Company") to operate its business in an economically, socially, and environmentally sustainable manner, while recognizing the interests of its stakeholders. This policy outlines the Company's approach towards CSR activities in accordance with Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any amendments thereto.

Vision

To contribute positively to the socio-economic development of the communities in which we operate and to create a sustainable impact by focusing on environmental stewardship, education, health, and community welfare.

Objectives

- To integrate social and environmental concerns into the Company's business operations.
- To undertake CSR projects that are aligned with the Schedule VII of the Companies Act, 2013.
- To ensure transparency and accountability in all CSR activities.

DEFINITIONS

In this Policy unless the context otherwise requires,

“Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof and includes any Rules framed thereunder, as the case may be in respect to the reference made in the provisions under this Policy;

“Administrative overhead” means the expenses incurred by the Company for the general management and administration of Corporate Social Responsibility functions of 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.

“Annexure” means annexure appended to the amended CSR rules.

“Articles” means the Articles of Association of the Company, as modified from time to time;

“Board of Directors” or “Board” means the collective body of the Directors of the Company;

“Company” shall mean Neelkanth Realtors Limited;

“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 clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
- v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
- vi. activities carried shall mean the activities mentioned herein and intended to be undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act.

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act;

“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;

“Net Profits” shall mean the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely:-

- a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.

“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;

Governance Structure

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a. Composition

The Corporate Social Responsibility Committee (‘CSR Committee’) shall consist of three or more Directors amongst whom at least one shall be an Independent Director. The Company Secretary shall act as the Secretary to the Committee.

b. Meetings

The CSR Committee shall meet as and when deemed necessary.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

c. Role of the Committee

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act (as amended from time to time).
- To recommend the amount of expenditure to be incurred on the activities in a financial year.
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- Reviewing performance of the Company in the areas of CSR.
- Submit an annual report of CSR projects/activities to the board.
- Recommend to the Board any alteration of the Annual Action plan at any time during the financial year, based on the reasonable justification to that effect.
- Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

RESPONSIBILITIES OF THE BOARD

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after considering the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR.
- Ensure expenditure of requisite amount on CSR every year as per law. Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.
- To ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy.
- The Board shall specify in its report the reasons for not spending the amount if the company fails to spend such amount.

CSR ACTIVITIES

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 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 art and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows 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 recognised sports, paralympic sports and olympic sports;
- viii. contribution to 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 govt. for socio economic development and relief and welfare of the schedule caste, 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.
- xii. Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the “Act”) as amended from time to time or the Board may consider to be appropriate. (Collectively hereinafter referred to as “CSR Activities”)

Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

CSR EXPENDITURE

CSR Funds

- For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.
- The Annual CSR Budget shall be spent on activities laid down in this Policy.
- Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

Administrative Overheads:

The Board to ensure that the administrative overheads expenses not to exceed 5% of the total CSR expenditure of the Company for the financial year.

Surplus arising from CSR activity

Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the Company and shall be treated in the following manner:

- ploughed back into the same project.
- shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan on the Company; or
- such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

Excess CSR Spent

In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years subject to:

- the excess amount available for set off will not include surplus arising from CSR Activities; and
- the Board to pass a resolution to that effect.

Creation or Acquisition of Capital Assets

The CSR amount can be spent for creation or acquisition of capital assets which shall be held by:

- a company established under section 8 of the Act or Registered Public Trust or Registered Society, having Charitable objects and CSR Registration Number under the Rules;
- beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
- public authority.

Treatment of unspent amount

In the event, if the company fails to spend the entire amount in the financial year, the reasons thereof

will be outlined as per section 134 (3) (o) of the Act to be shared with all the stakeholders through the Annual Report and the unspent amount shall be transferred to any fund included Schedule VII of the Act until such a fund is specified in Schedule VII within 6 months from the end of Financial Year. However, any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, 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.

CSR ANNUAL ACTION PLAN (CAAP)

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism etc.

The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

IMPLEMENTING AGENCY

The implementing agency should be any:

1. Company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80 G of the income tax Act, 1961, established by the Company, either singly or along with the other agency; or
2. A company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80 G of the income tax Act, 1961, established by Central Government and State Government; or
3. Any entity established under Act of Parliament or State Legislature; or
4. A company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80 G of the income tax Act, 1961, and having an established track record of at least three years in the similar activities.

Form CSR -1 – (Rule 4(2) of CSR Rules, 2021) provides that: The eligible entities through which the company has undertaken the CSR Project or Programme will require to register itself with the Central Government by filing electronically e-Form (CSR-1) with effect from 1st April 2021 and get the unique CSR Registration Number generated by the system automatically.

MONITORING AND REVIEWING MECHANISM

CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

Amendments to the Policy

The Board of Directors may amend the CSR policy based on the recommendations of the CSR Committee or to comply with regulatory requirements.

This CSR policy issued pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time has been recommended by the CSR Committee of the Board of Directors and adopted by the Board of Directors. It can be downloaded from our website - <https://neelkanth.com/>
