

CORPORATE SOCIAL RESPONSIBILITY POLICY

Parsvnath Developers Limited

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Corporate Social Responsibility (CSR) 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 Parsvnath Developers Limited (Parsvnath) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. Parsvnath 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 endeavors to make CSR a key business process for sustainable development and therefore at Parsvnath, CSR is intrinsic to our business fabric. Collaborative growth is the cornerstone of Company's CSR strategy. With its Chairman, Mr. Pradeep Jain, in the forefront, Parsvnath adheres to the belief that it can only build value and sustains growth if it has a truly synergic relationship with members of society that it depends upon and come in contact with, especially those from economically backward sections. Parsvnath 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.

PROGRESS BEYOND GROWTH

PARSVNATH FOUNDATION

Formed as an NGO, Parsvnath Foundation (Foundation), the CSR arm of Parsvnath, chaired by Mr. Pradeep Jain himself, works relentlessly and dedicatedly to ensure the overall growth and progress of the communities in which it has a presence.

The Foundation endeavors to fulfill Company's social objectives in the fields of education and healthcare by promoting, operating, improving and developing scientific institutions, libraries, clinics, hospitals, dispensaries, and crèches for the poor and needy. It also assists in constructing, running and developing schools.

At a different level, the foundation play a part in creating awareness and forwarding the cause of education among the relatively disadvantaged sections of society by printing, publishing books, magazines, newspapers, pamphlets; helping needy students through payment of fees, donations for building/development of school in tribal areas of the state of Madhya Pradesh.

With a broader social motive, the foundation regularly undertakes blood donation camps.



GUIDING PRINCIPLES

Parsvnath 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.

To attain its CSR objectives in a professional and integrated manner, the company will strive to:

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
- Use of environment friendly and safe processes in operation.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the projects and taking up rain water harvesting projects.
- Create a business value chain which is sustainable – environmentally + socially + economically.
- Promote an inclusive work culture.
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled.



- Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
- Promoting the well being and development of employees and their families through an inspiring corporate culture that engenders good values.
- Employee participation is an important part of developing responsible citizenship. Our company encourages and motivates employees to spend time volunteering on issues of their interest.
- 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.

CSR ACTIVITIES

CSR activities/programmes to be undertaken by the Company shall be in line with the following activities as given in Schedule VII of the Companies Act, 2013 ("Act"), as amended from time to time annexed to this Policy:

- 1) 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;
- 2) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 3) 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;
- 4) 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;
- 5) 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;



- 6) 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;
- 7) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- 8) 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 9)
 - (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).
- 10) rural development projects;
- 11) Slum area development;
- 12) disaster management, including relief, rehabilitation and reconstruction activities;
- 13) Any other activity as notified or included in Schedule VII.

CSR activities do 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 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;

REPORTING/MONITORING MECHANISM

BOARD-LEVEL CSR COMMITTEE

Pursuant to provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, (including any modification and re-enactment thereof), the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee, which shall recommend the CSR activities to be undertaken by the Company, recommendation of the amount of expenditure to be incurred on the aforesaid activities, monitor the CSR policy of the Company from time to time, approval of annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report and to perform such functions as may be required under the Act.

MONITORING PROCESS

To ensure effective implementation of the CSR Activities, the activities undertaken at each work center will be monitored by CSR Committee from time to time. The CSR Committee has power to appoint an authorized official, employees of the Company, any consultant and professional to monitor CSR activities.

IMPLEMENTATION

1. The Board of the Directors of the Company shall ensure that the CSR activities are undertaken by the Company itself or through -
 - (a) 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



- (b) 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
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) 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.
2. The Company may engage International Organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

“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 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

3. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.
4. In case of Ongoing Project, the Board of Director of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall have power to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

“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 of Directors, based on reasonable justification.

ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board of Directors, an Annual Action Plan in pursuance of CSR Policy, which shall include the following, namely:-

- (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; and



- (e) details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board of Directors of the Company may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

CSR EXPENDITURE

1. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR activities undertaken in accordance with the approved CSR Policy. The total expenditure towards administrative and other overheads for the CSR activities cannot be more than 5% of total CSR fund.

“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.

SURPLUS ARISING OUT OF THE CSR ACTIVITIES:

2. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

SPENDING IN EXCESS OF REQUIREMENT:

3. In case the Company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Act, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 of the Act, up to immediate succeeding three Financial Years subject to the conditions that -
- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - (ii) the Board of Directors of the company shall pass a resolution to that effect.

CAPITAL ASSET:

4. 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; or



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

IMPACT ASSESSMENT

In case of the Company having average CSR obligation of Rupees Ten Crore or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding Financial Years, the Company shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of Rupees One Crore or more, and which have been completed not less than one year before undertaking the impact study.

The Impact Assessment Reports, if any shall be placed before the Board and shall be annexed to the Annual Report on CSR.

If the Company undertakes impact assessment, it may book the expenditure towards Corporate Social Responsibility for that Financial Year, which shall not exceed five percent of the total CSR expenditure for that Financial Year or fifty lakh rupees, whichever is less.

GENERAL

- 1) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein and for any reference, the interpretation & decision of the Committee will be final.
- 2) Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- 3) The Board reserves the right to modify, cancel, add, or amend CSR Policy to attain the purpose of this CSR policy.
- 4) The CSR activities of the company shall not include any benefits which are exclusively for the employees of the Company or their family members.
- 5) Expenditure is to be made in respect of CSR activities done in India only.

