

NEW AMBADI ESTATES PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

Preamble

The Murugappa Group is known for its tradition of philanthropy and community service. The Group's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and health care as the core focus areas.

New Ambadi Estates Private Limited ("the Company") upholds the Group's tradition by earmarking apart of its income for carrying out its social responsibilities. We believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. Therefore, our philanthropic endeavours are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

Corporate Social Responsibility Purpose Statement

The Company shall seek to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. While we will undertake programme based on the identified needs of the community, education and healthcare shall remain our priority. Across the different programme areas identified by the company, it would be our endeavour to reach the disadvantaged and the marginalized sections of the society to make a meaningful impact on their lives.

The Company is committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like health care, drinking water & sanitation and the like;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programme;
- Promotion of sports through training of sports persons;
- Undertake rural development projects;
- Any other programme that falls under our CSR Policy and is aimed at the

empowerment of disadvantaged sections of the society.

Scope

This policy will apply to all projects/programmes undertaken as part of Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliancy and alignment with the activities and rules of Schedule VII and Section 135 of the Companies Act, 2013.

Governance

The approval of the CSR policy and oversight is the responsibility of Company's Board of Directors. The responsibility of the CSR Committee is to promote the strategy and to administer the policy through implementing partner(s) or via self-implementation.

The CSR Committee shall provide guidelines for projects/partner selection to the respective HR or CSR teams, wherever applicable. The CSR Committee shall ensure that projects/ programmes are compliant with regulations and are monitored and reported effectively.

As the Company's CSR activities evolve, the policy may be revised by the CSR Committee and approved by the Board of Directors.

Further, where the amount to be spent by the Company for CSR Activities does not exceed Rupees Fifty Lakhs in a Financial Year, the constitution of CSR Committee shall not be applicable and the functions of such committee shall be discharged by the Board of Directors of the Company.

Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its 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

Board 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.

Corporate Social Responsibility Spend

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

The amount spent on CSR activities in excess of mandatory requirement, may be set off against the requirement to spend towards CSR under the Act up to immediate succeeding three financial years subject to the conditions prescribed in the Act and the Rules made thereunder.

The unspent amount of CSR during a financial year, if any, and not pertaining to any ongoing project shall be transferred by the Company to any fund specified in Schedule VII of the Act within six months from the expiry of the financial year.

The unspent amount of CSR during a financial year, if any, pertaining to any ongoing project, fulfilling such conditions as may be prescribed under the Act or the Rules made thereunder, and under the Policy, shall be transferred to a special bank account to be opened in this behalf for that financial year in a scheduled bank to be called "Unspent CSR Account" and such amount shall be spent by the Company towards CSR activities within a period of three financial years from the date of the transfer, failing which the Company shall transfer the same to a fund specified in Schedule VII of the Act within 30 days from the expiry of the third financial year.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account. Such amount shall be spent in pursuance of CSR policy or be transferred to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

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 a registered society, having charitable objects and CSR Registration Number as prescribed under the Act and the Rules made thereunder; or
- b) Beneficiaries of the said CSR project in the form of self-help groups, collectives, entities; or
- c) Public authority.

Implementation

The Company shall undertake CSR project/programmes approved by the Board of Directors in line with the CSR Policy.

The Company shall implement its CSR programmes/projects 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 80G of the Income Tax Act, 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 public 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.
- e) On its own, through the relevant HR or CSR department; or
- f) Through its own foundation specifically created for implementing its CSR initiatives.

The Company may enter into partnerships or alliances with eligible NGOs, Trusts, or other Corporate Foundations, etc., to effectively implement its CSR programmes/projects.

The Company may also implement programme in collaboration with one or more entities, if permissible and feasible.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementation partners.

The Board shall make sure the CSR funds disbursed for ongoing projects are utilised for the purposes and in the manner as it was approved by the Board, and the Chief Financial Officer shall certify the same.

Corporate Social Responsibility Programmes/Projects

The Company will adopt a focused and a structured approach towards implementing its CSR initiatives. It has identified thematic and programme areas to guide the design, intent and approach of its CSR initiatives.

These are broad thematic areas with focus on quality service delivery and empowerment.

The programme areas are:

- Providing basic health care facilities to economically backward societies across

geographical areas

- Improving access to education
- Community Development and Skill Development
- Rural Development
- Environmental sustainability
- Any other programmes which are in alignment with the activities listed in Schedule VII and Section 135 of the Companies Act, 2013 and the rules framed thereunder.

Monitoring and Reporting

The Company will institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/programme has:

1. Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary);
2. Clear targets, timelines and measurable indicators, wherever possible;
3. A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act, 2013 and the CSR Rules.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/ programmes and periodic reports shall be provided for review to the CSR Committee.

The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes, as well as for capacity building of their own personnel for CSR.

The Board shall monitor the implementation of the CSR projects on approved timelines, year-wise allocation and shall make modification if any, ensuring smooth implementation of the CSR Projects.

The Composition of the CSR Committee, CSR Policy and the CSR Projects approved by the Board shall be disclosed on the website of the Company for public access.

The Company shall, subject to conditions laid down under the Companies Act, 2013 and the relevant rules thereunder, undertake impact assessment for the CSR projects / programmes through independent agency.

Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act, rules, the provisions of such Act, rules shall prevail over this Policy. Any subsequent amendment / modification in the Act and/or applicable laws in this regard shall automatically apply to this Policy.
