

LUCINA LAND DEVELOPMENT LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY [CSR Policy]

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

1. INTRODUCTION

Lucina Land Developments Limited (“the Company”) is committed towards achieving the highest standards of Corporate Governance coupled with best-in-class practices across all its business operations thereby ensuring its core values i.e. Customer First, Transparency, Integrity and Professionalism.

This CSR Policy [as defined in clause 3(g)] aims to define and establish the Company’s Policy framework towards CSR [as defined in clause 3(e)].

2. OBJECTIVES

The Company recognizes and is committed towards creating common good for all. The Company shall implement its CSR Activities to integrate economic, environmental and social objectives with its operations and growth for the common good. The Company is committed towards making visible and tangible contributions to communities and the environment.

The Company focuses its CSR efforts on such areas, where it could provide maximum benefits to the society at large. These are, improving awareness of communities towards healthcare, education and rural development etc. The Company may also undertake such other CSR projects, where societal needs are high or in special situations (natural disasters etc.).

The Company shall identify projects/ programs/ activities in urban/ rural areas that will improve quality of life.

The broad objectives of this CSR Policy are to:

- (i) elucidate and inform all Stakeholders about the Company’s CSR Policy;
- (ii) demonstrate commitment to the common good through responsible business practices and good governance;
- (iii) actively support the country’s development agenda to ensure sustainable change;
- (iv) set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models; and
- (v) engender a sense of empathy and equity among employees of the Company to motivate them to give back to the society.

The CSR Policy shall be implemented in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder. It shall apply to all the CSR Activities undertaken by the Company in India as per Schedule VII of the Act and any amendments or modifications thereto.

The CSR activities shall not include activities undertaken by the Company in pursuance of the normal course of its business. Further, projects, programs or activities that solely benefit the employees of the Company and their families shall not be considered as CSR Activities under this CSR Policy.

3. DEFINITIONS

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

- a. **‘Company’** shall mean Lucina Land Developments Limited or LLDLa.
- b. **‘Act’** means Companies Act, 2013 read with Rules made thereunder, as amended from time to time.
- c. **‘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.
- d. **‘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 programs 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.
- e. **‘Board’** means Board of Directors of the Company.
- f. **‘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.
- g. **‘CSR Committee’** means the Corporate Social Responsibility Committee as constituted, by the Board of Directors of the Company, as per the applicability under the Companies Act, 2013.
- 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 the net profit computed for a financial year in accordance with the applicable provisions of the Act, not being profit arising from any overseas branch of the Company and/or any dividend income accruing to the Company in any financial year excluding the surplus arising out of CSR Activities, if any.
- 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. **‘Rules’** mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- m. **‘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 read with the Rules.

4. CSR CONTRIBUTION

The contribution by the Company in any financial year towards CSR Activities shall be a minimum of 2% of its average Net Profits for three immediately preceding financial years.

5. CSR COMMITTEE

In compliance with the requirements of Section 135(1) of the Act, a CSR Committee has been constituted by the Board, in accordance with the provisions of the Companies Act, 2013. The Committee may invite such other executive(s)/employees of the Company, professionals, experts and outsiders with relevant experience, as it may consider appropriate in its sole discretion, whether on permanent basis or temporarily for meetings of the Committee, to advise on the various CSR Activities being undertaken/to be undertaken by the Company.

The Committee towards effectuation and implementation of the CSR Activities shall identify and recommend the specific CSR activity(ies) to the Board of Directors of the Company (Board) for its consideration and approval. Based on the approval of the Board, required funds shall be infused into the Board approved CSR activities. The same shall constitute the CSR Contribution of the Company for the relevant financial year.

The Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities, towards which end, progress updates on CSR activities undertaken, shall be submitted to the Board, from time to time

6. TERMS OF REFERENCE OF THE CSR COMMITTEE

The CSR Committee shall be responsible for:

- a) To recommend to the Board, the CSR activity to be undertaken by the Company;
- b) To approve the expenditure to be incurred on the CSR activity;
- c) To oversee and review the effective implementation of the CSR activity;
- d) To ensure compliance of all related applicable regulatory requirements.

7. CSR ORGANISATION

The CSR Activities shall be undertaken/executed/implemented by the Company itself and/or primarily through any other trust(s)/ registered society established by the Company. The Company may also conduct/implement its CSR Activities through any company established by the Company or its subsidiary(ies), or associate(s) 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 its holding company/ subsidiary(ies), or associate(s) or other company(ies).

The Company will ensure that implementing agency(ies), who agreed to undertake any CSR activity(ies) of the Company, shall have registered itself/ themselves with the Ministry of Corporate Affairs by filing requisite form w.e.f. 1st April, 2021.

8. 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.

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.

9. CSR BUDGET

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

10. CSR ACTIVITIES

The Company will undertake its CSR Activities, as per Schedule VII of the Act and any amendments or modifications thereto, which includes but not limited to the following areas:

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 centers 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 art 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 schedule caste, tribes, other backward classes, minorities and women;
9. contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or or Public Sector Undertaking or any agency of the Central Government or State Government; and 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 including community/ social/ infrastructure creation intended for the general well being of society at large;
11. slum area development including social infrastructure projects in urban areas aimed at improving the well being and safety of the general public in such urban areas; and
12. disaster management, including relief, rehabilitation and reconstruction activities.

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan. The details of each of the CSR activities/ programs 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.

11. IMPLEMENTATION OF CSR ACTIVITIES

The CSR activities identified by the CSR Committee and approved by the Board shall be implemented in a project mode through implementing agency(ies), which will entail charting the stages of execution through planned processes, measurable targets, mobilization and allocation of budgets and prescribed timelines. It also involves assigning responsibility and accountability. Suitable documents/ agreements, if required, shall be entered into with the implementing agencies for the purposes of implementation of the CSR projects. The conditions of grant of amounts for all CSR activities and the break-up of the allocations shall be set-out and evaluated from time to time.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR activities as per the CSR policy as well as for capacity building of its own personnel for CSR.

12. 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 given in the Annual Action Plan .

The CSR Committee will monitor the projects and programs to ensure that they are being carried out in compliance with this CSR Policy and the Act. The CSR Committee shall also apprise to the Board of Directors about the progress of CSR project/ programs/ activities including expenditure incurred by the implementing agency(ies) till the allocated budget is fully utilized.

In case of the Ongoing Project(s), the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

13. ROLE OF THE IMPLEMENTING AGENCY(IES)

The implementing agencies, shall be responsible for:

- (i) Determining the modalities of execution including targets and timelines in consultation with the CSR Committee;
- (ii) Ensuring that implementation of all CSR Activities are being carried on in accordance with the above;
- (iii) Supervising the implementation of the CSR Activities and ensuring that the CSR Activities are undertaken in compliance with this CSR Policy with clearly defined project deliverables, implementation schedules, processes and budgets;
- (iv) Undertaking impact assessment of the CSR Activities, as may be required;
- (v) Maintaining documents and accounts pertaining to all CSR Activities of the Company;
- (vi) Keep the CSR Committee updated on Implementation progress of CSR programs; and
- (vii) Assisting the CSR Committee in monitoring of CSR projects and preparation of the annual report on CSR.

14. OVERALL IMPROVEMENT IN FUNCTIONING AND IN DISCHARGE OF CSR

The Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

15. IMPACT ASSESMENT

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 ₹ one 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 2% of the total CSR expenditure for that financial year or ₹ fifty lakh, whichever is higher and the same shall be considered as CSR expenditure for that financial year.

16. 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 Chairperson of the CSR Committee, Chief Executive Officer/ Managing Director/ Director of the Company, as applicable.

17. AMENDMENTS

The CSR Committee is empowered to recommend amendments or modifications to the CSR Policy including the Annual Action Plan and such changes shall be placed before the Board for approval.

Where the CSR Policy including the Annual Action Plan is in variance with the requirements of the Act, the provision of the Act shall prevail.

18. GENERAL

Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules