



## PSP PROJECTS LIMITED

### CORPORATE SOCIAL RESPONSIBILITY POLICY

#### I. Introduction:

At PSP Projects Limited (herein referred as 'PSP' or the 'the Company'), we feel holistic development of communities is an integral part of responsible business. Corporate responsibility (CSR) is an embedded value at PSP. We strongly believe that the cooperation and support of the communities and society in which we operate has been crucial for our tremendous growth and success.

#### II. Objective:

The Corporate Social Responsibility Policy (CSR Policy) has been framed in accordance with the provisions of section 135 of the Companies Act, 2013 ("Act") and read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act as amended from time to time.

This CSR Policy shall ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders of the Company and to impact the society with its efforts towards CSR.

#### III. Definitions:

- a) **Act**" means the Companies Act, 2013 and the rules made thereunder as amended from time to time.
- 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) **"Agency"** (or Agencies) means any Section 8 Company or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
- d) **"Approved Budget"** means the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects of the Company.
- e) **"Board"** means collective body of the board of directors of the company.
- f) **"Company"** means PSP Projects Limited ('PSP').



- g) **"CSR"** means Corporate Social Responsibility 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 the rules.
- h) **"CSR Committee"** means the Corporate Social Responsibility Committee of constituted by the Board of the Company in accordance with provisions under section 135 of the Act.
- i) **"CSR Policy"** means statement containing the approach and direction given by the board, 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.
- j) **"CSR Expenditure"** means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee as covered under the Schedule VII of the Act.
- k) **"Net profit"** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
- l) **"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;
- m) **"PSP Foundation"** means a company formed and registered under section 8 of the Companies Act, 2013 and rules framed thereunder.
- n) **"Rules"** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

Words and expressions used and not defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and rules and regulations made thereunder as the case may be or in any amendment thereto.

#### **IV. Applicability**

This policy shall apply to all CSR Projects / Programs and activities undertaken by the Company.

#### **V. Corporate Social Responsibility Committee**

##### **1. Constitution:**

The Corporate Social Responsibility Committee ("CSR Committee") shall consist of three or more directors, out of which at least one director shall be an independent director.

The Company Secretary of the Company shall act as the Secretary of the Committee.

## **2. Role of the CSR Committee:**

1. 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 Companies Act, 2013;
2. Formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR Policy;
3. review and recommend the amount of expenditure to be incurred on activities to be undertaken by the Company;
4. Monitor the CSR policy of the Company and its implementation from time to time; and
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

## **VI. Identification of CSR Projects and Fund allocation:**

1. The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, to undertake such activities in line with Annual Action Plan, forming part of its CSR initiatives, which will be focusing the areas as covered under Schedule VII of the Companies Act, 2013 as maybe amended from time to time
2. The Company shall spend at least 2% (two percent) of the average Net Profits of the Company in every financial year made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR policy.
3. The Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
4. 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 in accordance with Section 135 of the Act 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, within a period of six months of the expiry of the financial year.
5. In a case when Company spends an amount in excess of requirement provided under the Act, such excess amount may be set off against the requirement to spend under the Act up to immediate succeeding three financial years in such a manner as may be prescribed under the Act with approval of the Board.
6. Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
7. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 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 30 days from the date of completion of the third financial year.



8. 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 in accordance with the Rules; or
  - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - c) a Public Authority:

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirements set out above, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

9. In the event the Company is required to undertake impact assessment in accordance with the Act and the Rules, it may book the expenditure incurred on such impact assessment towards CSR 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.

## **VII. Implementation of CSR Activities**

1. All the CSR activities of the Company will be undertaken by the company
  - a) Directly or through PSP Foundation or a registered public trust or a registered trust, society or company established by PSP either singly or alongwith with any other company or with its holding, subsidiary or associate company under section 8 of the Act; or
  - b) any entity established under an Act of Parliament or a State legislature; or
  - c) 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, established by the company, either singly or along with any other company, or
2. In the event the Company undertakes CSR activities through a third party entity as set out above, the Company shall ensure that such entities have obtained a unique CSR Registration Number in accordance with the Rules, if such CSR project or program is approved and undertaken after April 01, 2021.
3. The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.
4. A company may also collaborate with other companies to undertake CSR projects or CSR activities provided the CSR Committees of the respective companies are able to report separately on such projects.
5. In case of Ongoing Project, 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.

6. CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.

## **VIII. Annual Action Plan**

The CSR committee shall formulate & recommend to the board an annual action plan for CSR activities of the Company, 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 as specified in sub-rule (1) of rule 4;
- (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 this plan at any time during the financial year as per recommendation of CSR Committee of the Company based on reasonable justification to the effect.

## **IX. Monitoring**

The CSR Committee allocates the budgets to programs and projects in domains that are aligned with the CSR policy. The CSR Committee shall monitor the implementation of the CSR projects/ programs/activities, including any ongoing project, if any, with the approved timelines and year wise allocation as per the CSR Policy and ensure compliance of the provisions related to CSR mentioned in the Companies Act, 2013 and the Rules made thereunder from time to time. Further the CSR committee is competent to make modifications, if any for smooth implementation of the project within the overall permissible time period.

The progress of CSR initiatives and activities will be reported by the CSR Committee to the Board on a regular basis.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify the same.

## **X. CSR Reporting & Display of CSR Policy**

The Details of composition of the CSR Committee, the CSR policy and details of CSR Activities approved by the Board in form of Annual Action Plan shall be available on the Company website at [www.pspprojects.com](http://www.pspprojects.com).

Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.



**XI. Amendment:**

The Board of Directors reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.

In case of any subsequent amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

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**Notes:**

Originally adopted by the Board of Directors on August 27, 2014

Amended by the Board of Directors on June 18, 2021