

NITESH ESTATES LIMITED

CIN:L07010KA2004PLC033412

Registered Office: Nitesh Timesquare, 7th Floor, No.8, M.G. Road Bangalore-560001

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction:

Corporate Social Responsibility (herein after referred to as CSR) is strongly connected with the principles of Sustainability (i.e., an organization should make decisions based not only on financial factors and business outcomes, but also on the social and environmental consequences). Nitesh Estates Limited (herein after referred to as the Company) wishes to contribute to harmonious and sustainable development of society through its business activities. This Policy sets forth the Company's goals in complying with all the CSR-related provisions of the Companies Act, 2013.

2. Scope and Applicability:

This Policy is formulated based on the provisions of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and notification made thereunder. This policy shall be applicable to the Company and its subsidiary companies.

The Policy must be followed by such Directors who are appointed from the Board of the Company from time to time. The members of Corporate Social Responsibility Committee may modify this Policy if required with the approval of Board of Directors of the Company. The Board shall abide by this Policy.

3. Activities to be undertaken:

The Company is committed towards environmental and social safety and protection. In compliance of the Schedule VII of the Companies Act, 2013 and the Company's Policy any of the below mentioned activities shall be carried out by the Company to contribute towards CSR:

- 3.1 Eradicating hunger poverty and malnutrition, promoting preventing health care and sanitation and making available safe drinking water.
- 3.2 Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled persons and livelihood enhancement projects.
- 3.3 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.
- 3.4 Ensuring environmental sustainability, ecological balance, protection of flora and fauna,

animal welfare and agro forestry, conservation of natural resources and maintaining quality soil, air and water.

- 3.5 Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works for art; setting up public libraries, promotion and development of traditional arts and handicrafts.
- 3.6 Measure for benefit of armed forces veterans, war widows and their dependents.
- 3.7 Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- 3.8 Contribution to the prime minister's national relief 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;
- 3.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- 3.10 Rural development projects and slum area development.

4. CSR Committee:

The Company's Corporate Social Responsibility Committee shall be constituted in accordance with the provisions of the Companies Act, 2013 and the terms of reference, powers and functions covered under this Policy shall be adhered by the Committee.

The Committee shall ensure that the Policy & Practices in the Company reflect the highest standards of corporate governance and facilitate necessary compliances and appropriate disclosures periodically.

4.1 Composition of the Committee

- The Committee shall be constituted with three directors with at least one independent director.
- The Board may nominate the members from time to time and the tenure of the membership shall be based on the tenure of the directorship in the Company.

4.2 Committee Meetings

- The CSR Committee shall meet to recommend the CSR activities to be undertaken and also recommend the funds to be allocated toward such activities.
- The quorum for the meeting shall be two members personally present.

4.3 Functions and Powers of the Committee:

- The Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- The Committee shall be responsible to recommend to the Board the CSR projects or activities to be undertaken by the Company from time to time
- To review the activities or track record of the agencies or trust or NGO before contributing towards CSR to such agencies or trusts or NGO.
- To recommend amount to be spent towards CSR activities based on the average net profit of the Company
- Monitor and review CSR projects or programs from time to time.
- Such other functions as may be imposed by the Board.

5. Execution of CSR Projects or Programs :

5.1 Outsourcing to External Trust or NGO:

The Company may make arrangements with Registered Trust or registered society or a company established under Section 8 of the Companies Act, 2013 or any Non-Governmental Organization organized for the principal purpose of carrying out CSR activities and, if so, the Company shall conduct the agreed upon CSR activity(ies) with such external organization.

5.2 Collaboration with other Body Corporate:

The Company may have collaboration with other companies for undertaking CSR projects or programs in such a manner that the CSR Committees of the both companies are in a position to report separately on such activities or programs in accordance with their respective CSR Policies.

5.3 Management to conduct CSR Programs or project:

The Company may with consultation with CSR Committee shall decide on the projects or programs carried out under this policy and shall conduct such projects or programs individually.

6. Allocation of funds towards CSR

- 6.1 The Company shall contribute for CSR activities at least two percent (2%) of its average net profit earned during three immediately preceding financial years in every financial year.
- 6.2 In case, there is no sufficient profit in any financial year the Company may not allocate funds for CSR purpose in such financial year.
- 6.3 Based on the profits earned the Board of Directors may allocate for CSR activities more than two percent of the net profit earned during three immediately preceding financial year but shall not exceed 5 percent (5%) of the average net profit.

7. CSR Expenditure

The amount allocated for the purpose of CSR projects/programs decided by the Board, shall be spent only for the purposes/activities mentioned under this Policy. If the Company arrives at any surplus from the activities conducted under this Policy, such amount shall not be considered as business profit. Such surplus should be utilized for the purpose of other CSR activities under this Policy only.

8. Computation of Net Profit:

The net profit for the purpose of CSR spending shall be computed in accordance with the provision of Section 198 of the Companies Act, 2013.

9. Organizational Responsibilities:

The Board of Directors shall periodically review the performance of the CSR Committee, at least annually to ensure it is operating efficiently and recommend any changes if necessary.

The Board shall monitor the implementation of every project taken up by the Company including evaluation of the projects by an outside agency. And give due consideration to laws and regulations, the provisions of the Companies Act, 2013, and any other applicable laws, as appropriate.

10. Management Commitment:

The Board of Directors of the Company and subsidiary companies and the management team shall be committed to developing impactful CSR programs/projects to contribute to a harmonious and sustainable development of society and to encourage Company employees and their families to participate in such programs/projects to transform their local communities.

11. Reporting:

The Company shall prepare an annual report containing all the particulars of activities conducted during such financial year where the activities have been under taken. The annual report shall be in the format given in Annexure I to the Policy.

The Board of Directors must in its Report to the Shareholders disclose by way of a detailed report the composition of the CSR Committee, a description of the programs/projects initiated and implemented, ongoing status and impact of the CSR activities proposed and undertaken by the Company along with the accounts and accounting treatment thereof.

12. Information Dissemination:

The Company shall disclose the content of this Policy on the Company's Website.

Annexure I

Format for the Annual Report on CSR Activities

1. Brief outline of the Company's CSR Policy
2. Overview of the projects undertaken or proposed to be undertaken
3. Composition of CSR Committee
4. Average Net Profit of the Company for last three years
5. Amount allocated for the purpose of CSR
6. CSR expenditure made during the year
7. Details of CSR spent during the financial year
 - Total amount spent during the financial year
 - Amount unspent, if any
8. Manner in which the amount was spent during the financial year
9. Details of implementing agency, if any
10. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report
11. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.