



Pratibha Industries Limited

Corporate Social Responsibility Policy

PREAMBLE

This policy lays down the guidelines and mechanism for undertaking socially useful activities / for sustainable development of the community.

This policy shall apply to all CSR initiatives and activities taken up by the Company, through Pratibha Foundation or any other Government recognized Trust, at Head Office and Project Sites of PIL for the benefit of different segments of the society, specifically the deprived and underprivileged and as prescribed under Schedule VII of the Companies Act, 2013 and rules framed thereunder

OBJECTIVE

The objective of the *CSR Policy* is to:

- * directly or indirectly take up CSR activities that benefit the communities /societies at large in & around its work place to enhance the quality of life & economic well-being of the local population.
- * generate, through its CSR initiatives, community goodwill for PIL and help to emphasis a positive & socially responsible image of PIL as a corporate entity.

This policy will come into force with effect from 1st April, 2014.

CSR ACTIVITIES

Company shall undertake following CSR Activities as prescribed in Schedule VII of the Companies Act, 2013 and other activities as may be prescribed by the Central Government time to time.

Activities relating to:—

- (i) eradicating extreme hunger and poverty;
- (ii) promotion of education;
- (iii) promoting gender equality and empowering women
- (iv) reducing child mortality and improving maternal health;



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- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) employment enhancing vocational skills;
- (viii) social business projects;
- (ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (x) promoting healthcare, including preventive healthcare;
- (xi) sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation;
- (xii) contribution to the Clean Ganga Fund set-up by the Central Government for the rejuvenation of river Ganga;
- (xiii) Slum area development.
- (xiv) And all such activities as may be prescribed by the Government time to time.

The CSR Activities shall be undertaken for the benefit of the public and not for the employees of the Company, provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

FUNDING

PIL will allocate 2% of its average net profits, calculated as per provision of Section 198 of the Companies Act, 2013, made during the three immediately preceding financial years or such other % as may be prescribed under the Companies Act, 2013 or rules made thereunder.

Any unspent / unutilised CSR allocation of a particular year, will be carried forward to the following year, i.e., the CSR budget will be non lapsable in nature and same shall be spent for undertaking any CSR Activities only.

Contribution of any amount directly or indirectly to any political party shall not be regarded as a CSR activity.

Surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the Company.



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IMPLEMENTATION

- i. CSR activities may be undertaken by “Pratibha Foundation” to the best possible extent within provisions of the Companies Act, 2013.
- ii. The time period/duration over which a particular activities will be spread, will depend on its nature, extent of coverage and the intended impact of the activity over the society at large.
- iii. Activities identified under CSR are to be implemented by specialized agencies, which could include - Government and Non-Government Organizations (NGOs) local Bodies, Trusts, etc.
- i. CSR activities may be implemented directly or in collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “Rules”).

IDENTIFICATION OF ACTIVITIES

Activities shall be identified at Corporate and project site level by means of the following:

- (a) Need identification Studies by professional institutions/agencies;
- (b) Internal need assessment by cross-functional team at the local level;
- (c) Receipt of proposals/requests from concern Government, NGO, Local bodies, etc.

PROCEDURE FOR APPROVAL

CSR activities as may be identified on the basis of request received from Project Site/ Corporate Office will be required to be put up before the Corporate Social Responsibility Committee of the Board at the beginning of each quarter with due recommendations of the Chairperson and Managing Director of the Company.

For meeting the requirements arising out of immediate & urgent situations, Chairperson and Managing Director are authorized to approve proposals in terms of the empowerment accorded to him by the CSR Committee.

The Committee shall submit its quarterly report before the Board giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.



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ROLE OF THE COMMITTEE

Pursuant to provision of Section 135 of the Companies Act, 2013, Role of the Committee shall be as under:

- (a) recommend the CSR Policy and amendment thereto to the Board;
- (b) identify the projects/activities to be undertaken by the Company for CSR;
- (c) recommend to the Board CSR Activities to be undertaken alongwith detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- (d) monitor the CSR Policy of the Company from time to time;
- (e) ensure compliance of CSR Policy and the Rules;
- (f) such other functions as may be delegated and/or assigned by the Board from time to time.

MONITORING & REPORTING

A monitoring mechanism will be put in place by the Committee to ensure effective implementation of the CSR activities undertaken at work place and project site. The progress of CSR activities under implementation at work center will be reported to corporate office on a quarterly basis.

An annual report of the activities undertaken under the CSR initiatives will be prepared, mentioning the activities identified, benefits accrued as a result thereof and the number of people benefited there from. The said report shall be submitted to the Board of Directors.

If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to Corporate CSR Department. In all such matters, the interpretation & decision of the CSR Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the provision of Companies Act, 2013 and rules made thereunder as may be issued by the Government time to time.