

**CORPORATE**  
**SOCIAL**  
**RESPONSIBILITY**  
**POLICY**

## **PAVNA INDUSTRIES LIMITED**

[Pursuant to Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014].

### **OVERVIEW:**

**PAVNA INDUSTRIES LIMITED** (“Company”) is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. Our Company has long been actively involved in social and community development. We are committed towards social causes and their development.

As required under the provisions of Companies Act, 2013 (“Act”), the Company is pleased to announce its Corporate Social Responsibility Policy (“CSR Policy” or “Policy”). Our goal shall be to focus on CSR activities strictly in compliance with applicable laws from time to time in force, including the Act and the rules there under.

### ***Our Company’s vision Statement:-***

***“To be a Responsible Corporate Citizen deeply committed to socio-economic development in its areas of operation.”***

### **PURPOSE:**

This CSR Policy establishes the scope, CSR goals of the Company and Funding approval process. This CSR Policy shall operate as the corporate responsibility policy of the Company for the purposes of Section 135 of the Act and CSR Rules.

The Company’s CSR Philosophy is ***‘SELFLESS SERVICE’***.

Towards this purpose, the Policy has been designed to achieve the Company’s social goals, while satisfying the required statutory obligations.

**AIMS AND OBJECTIVES:**

The Company is not only committed to being a good citizen, but also to being a good neighbor in the communities we call home. We contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also support employees' commitment to our communities through various programs including our volunteerism initiatives.

**AREAS OF INTEREST:**

Areas of Interest that the Company may undertake under various key thrust areas as listed below:

***Thrust Areas***

***Areas specified under Schedule VII of Companies Act, 2013***



***Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;***



***Promoting education, including special education and employment enhancing vocational skills especially among children, women and the differently able and livelihood enhancement projects;***

**Empowerment  
of women**

*Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; day care centers and such other facilities and measures for reducing inequalities faced by socially and economically backward groups*

**Environment**

*Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources*

**Rural Sports**

*Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports*

**Skill  
Development**

*Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects*

*The Company may contribute to other thrust areas of interest as permitted under Schedule VII of the Companies Act, 2013.*

### **COMPOSITION OF CSR COMMITTEE:**

- *The CSR policy and programs of the Company shall be appointed, implemented, managed and supervised by the CSR Committee of the Board.*
- *The Charter of the CSR Committee shall be approved by the Board and the CSR Committee shall comprise of 03 (Three) Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution.*
- *The members of the CSR Committee shall be the following:*

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Swapnil Jain	Managing Director	Chairman
Mr. Naozer Firoze Aibara	Non-Executive Independent Director	Member
Mrs. Priya Jain	Executive Director	Member

### **RESPONSIBILITY OF THE COMMITTEE:**

- To 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.
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
- To monitor the Corporate Social Responsibility Policy of the company from time to time.

- Reviewing and approving annual budgets with respect to CSR programs.
- In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report.

**CSR COMMITMENT:**

The CSR Commitment of The Company for each financial year as approved by the board shall comprise of the following:

- 2% (two percent) of the average Net Profits of the Company (Calculated as per section 198 of the companies act 2013) for the last 3 (three) financial years;
- any income arising from the CSR Commitment; and
- Surplus arising out of CSR activities, if any.

The CSR Commitment shall be used exclusively for undertaking specific CSR activities as listed in the Areas of Interest above which are in compliance with the requirements of the Act and Rules. Modalities of execution of such CSR Activities and implementation schedules for the same shall be updated from time to time.

Surplus arising out of CSR activities shall not form part of the business profits of The Company.

CSR Activities will be funded during the Financial Year with an aim to contribute for the CSR.

Commitment in relation to such financial year by the end of the relevant financial year.

**IMPLEMENTATION:**

The Company will undertake its activities, approved by the CSR Committee through Trust/Society

- Such trust, society or company (other than unrelated to the company) shall have an established track record of 3 years in undertaking similar programs or projects;
- the company has to specify the project or programs to be undertaken through these entities, and;
- also the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

Collaboration with other company/ (ies) for undertaking projects or programs or CSR activities is permitted.

The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered for CSR.

### **REPORTING:**

The Board of Directors of the Company shall provide the following information in its report to its shareholders as well as on the website of the Company:

- Brief outline of the CSR Policy;
- Website link (if any) to CSR Policy and update on the CSR Activities undertaken by the Company;
- Composition of CSR Committee;
- Average net profits of the Company for last three financial years;
- Prescribed CSR expenditure;
- Total amount to be spent in a financial year and amount unspent, if any, along with the reasons;
- Manner in which the amount spent on CSR Activities during a financial year in the following format:
  - A description of the CSR Activities;
  - Sectors covered by the CSR Activities;
  - CSR Activities Undertaken – (1) Local Area or Other; and (2) Specify the State and district where CSR Activities were undertaken;
  - Amount outlay (budget) for each of the CSR Activity;

- Amount spent on the CSR Activities – (1) Direct Expenditure; (2) Overheads.
- Cumulative expenditure upto the reporting period;
- Amount spent – (1) Direct; (2) through the implementing agency; and
- Details of the implementing agency.
- Reasons for the Company failing to spend the amount required under the Act (if any), on the CSR Activities;
- Responsibility statement from CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives.
- The CSR Committee will recommend the Annual Business Plan for CSR to the Board for its approval.

### **CONTRIBUTION & SUPPORT:**

The Board in recommendation with the CSR COMMITTEE has planned to offer education by providing primary assistance to the youth through allocation of funds to the trust for the establishment of the libraries and further distribution of set of books and educational material to the underprivileged children with the objective of encouraging students to achieve their potential.

### **SELF GOVERNANCE:**

The Company, its Board of Directors, employees, officers, CSR Committee members, its invitees, shall not:

- directly or indirectly engage in lobbying of CSR activities;
- accept any kind of favors and gifts, in any form, from any prospective or potential CSR Partners or beneficiaries as a result of consideration of the proposal to grant funds to such CSR Partners or beneficiaries under this Policy.



**POLICY REVIEW AND FUTURE AMENDMENT:**

The CSR Committee shall review the CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board of Directors of the Company.

**CONTACT US:**

For queries related to the CSR Policy, Please write to us at:- [cs@pavnagroup.com](mailto:cs@pavnagroup.com)