



PREMIER MILLS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Original version approved by board on 30.06.2014

Amended version approved by board on 27.03.2021

Corporate Social Responsibility (CSR) builds a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time it has become an integral part of business. PML has been engaged in charities and philanthropic activities, along with a number of others social activities. The key objective of PML is to promote education, fight against hunger, provide medical relief and help in combating chronic disease and addressing environmental issues.

1. SHORT TITLE & APPLICABILITY

This policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "PML CSR Policy". It has been prepared keeping in mind the company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs vide Notification dated 22nd January 2021.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

2. CSR VISION STATEMENT & OBJECTIVE

Corporate Social Responsibility is a form of corporate self regulation integrated into a business model. Therefore, the policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the provision of the Act, the Company currently is not required to constitute CSR Committee, as the amount to be spent by a company does not exceed Rs. 50 lakh. However the company has decided to continue with CSR committee constituted previously for administrative convenience and effective administration of CSR expenditure.

Composition:

The Corporate Social Responsibility Committee shall consist of 4 Directors as constituted / re-constituted by the Board.

Meetings:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold atleast 2 meetings in a financial year.

Quorum:

The quorum for a meeting of the Committee on CSR shall be two members

Sitting Fee:

The Sitting Fees shall be nil

Role of CSR Committee:

The role of CSR Committee is:

- a. 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;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- e. To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- f. To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- g. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

Role of Board of Directors:

- a. The Board of Directors shall, after considering the recommendations made by the CSR committee, approve the CSR policy and the Annual CSR Action Plan of the company.
- b. The Board of Directors shall endeavor that the Company spends 2% of the average pretax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
- c. The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- d. d. The Board may extend a non-ongoing project beyond one year based on reasonable justification.
- e. The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
- f. The Board of the Company 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 or the person responsible for financial management shall certify to the effect.
- g. In case of ongoing project, the Board of the Company 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.
- h. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- i. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- j. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - ii. the Board of the Company shall pass a resolution to that effect.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the Company's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Amended Rules, 2014

4. RESOURCES

Funding / Allocation / Expenditure

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate 2% of its average pretax profits made during the 3 immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy.

“Administrative Overheads” expenses incurred by the Company will be used for ‘General Management & Administration’ of the 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.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account 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.

Transfer of unspent CSR amount. - Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act.

CSR amount may be spent by the Company for creation or acquisition of a Capital Asset which shall however, be held by either:

- a. Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under the CSR Rules;
- b. Beneficiaries of the CSR Project, in the form of self-help groups, collectives, entities;
- c. A Public authority.

5. CSR ACTIVITIES

The Company shall identify projects / activities which will fall in any one or more of the following areas /sector for its CSR spending:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
2. Promoting education, including special education and employment enhancing vocational 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 recognized 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 Govt. 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 the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.
10. 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).
11. Rural development projects.
12. Slum area development.
13. Disaster management, including relief, rehabilitation and reconstruction activities.
14. Any expenditure made from CSR funds for COVID-19 related activities for various activities related to COVID-19 specified under Schedule VII relating to promotion of health care, including prevention of health care and sanitization and disaster management.
15. Any other areas as may be identified by the CSR Committee from time to time.

The above list of activities shall also include, exclude, modify such activities may be notified by the Ministry of Corporate Affairs from time to time. The above list is broad based/ illustrative and must be interpreted liberally so as to capture the essence. The Company may also undertake such other activities as the Board may consider appropriate.

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of the Act. The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates.

The following activities shall not form part of the CSR activities of the Company:-

- a. Activities undertaken in pursuance of normal course of business of the Company
- b. CSR projects/programs or activities that benefit only the employees of the Company and their families,
- c. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes and
- d. Any CSR projects/programs or activities undertaken outside India, except for training of Indian sports personnel representing any State or Union territory at national or India or international level
- e. activities supported on sponsorship basis for deriving marketing benefits;
- f. activities carried out for fulfillment of any other statutory obligations under any law in force in India;

6. IDENTIFICATION OF PROGRAMMES

The Committee may identify the CSR programmes by any of the following methods:

- a. Internal assessment by units/corporate office of the company,
- b. Identification studies by professional institutions/agencies,
- c. Receipt of a proposal/request from district administration/local Panchayat etc.,
- d. Receipt of a proposal/request from voluntary organizations/local representatives etc.,

7. IMPLEMENTATION OF CSR ACTIVITIES

The Company may undertake the CSR activities directly on its own or by contributing to external agencies like an established registered charitable trust with long standing reputation or partly on its own and partly through such trusts as may be recommended by the CSR Committee and approved by the Board.

Where contributions are made to an external Implementing Agency the Board shall ensure that the Implementing Agency complies the following

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or
- b. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c. any entity established under an Act of Parliament or a State legislature; or
- d. 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.

Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar.

8. MONITORING

To ensure effective implementation of the CSR programmes undertaken, a monitoring mechanism is put in place.

- Progress of the CSR activities under implementation is reported to the CSR committee on a regular basis
- Appropriate documentation of the CSR Policy, annual CSR activities, CSR budget, details of the executing partners, and the expenditure entailed will be reviewed on a regular basis.
- Annual audit of all the CSR activities undertaken by the company will be done by the internal auditors and further presented to the CSR committee.
- The CSR committee shall initiate steps to check whether the activities are progressing as per the guidelines of the CSR policy and statutory requirements and shall initiate corrective actions if there are any deviations.
- The CSR activities of the Company will be included in the Directors' report as prescribed in Section 135 of the Companies Act, 2013 and the Rules made there under.

9. IMPACT ASSESSMENT

1. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
3. Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility 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.
4. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

10. GENERAL

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

If Company fails to satisfy the eligibility criteria prescribed under Section 135(1) of the Act for three consecutive financial years, it will not be required to comply with the provisions of this CSR Policy till such time it meets the criteria again.

The Company reserves the right to modify, cancel, add, or amend any of these Rules.

Note-This policy has been approved by the Board of Directors of the Company at their meeting held on 27.03.2021



PREMIER MILLS PRIVATE LIMITED

CSR COMMITTEE MEMBERS

1. KAVITHA CHANDRAN, CHAIRMAN
2. R JAGADISH CHANDRAN, MEMBER
3. SABITHA CHANDRAN, MEMBER
4. SHANTHI SRINIVASAN, MEMBER