

# PURSHOTTAM INVESTOFIN LIMITED

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## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **INTRODUCTION**

The Corporate Social Responsibility Policy ("the Policy") has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 (hereinafter referred to as "Act") and rules framed thereunder, as amended from time to time.

This Policy will be effective 06.08.2024 and will provide the guiding principles for selection, implementation and monitoring of Corporate Social Responsibility ("CSR") activities of the Company as well as formulation of the annual action plan

### **POLICY OBJECTIVE AND PHILOSOPHY**

Purshottam Investofin Limited ("the Company" or "PIL") believes that since a business derives various benefits from the society, it must, in return, create value for all stakeholders and create a positive impact for a sustainable future.

Henceforth CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the framework/guidelines for undertaking activity/ programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium and long-term CSR programs and initiatives.

### **GOVERNANCE STRUCTURE**

PIL has constituted a robust, transparent and vigilant governance structure to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

### **ROLE OF BOARD OF DIRECTORS**

The Board of Directors of the Company shall be responsible/ authorised for:

- (i) Approving the CSR policy after taking into account the recommendations of the CSR Committee.
- (ii) Ensuring that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years and that administrative overhead, if any, shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- (iii) Considering and approving the annual action plan recommended by the CSR Committee and may alter such plan at any time during the financial year, based on the reasonable justification to that effect.
- (iv) Ensuring that the funds so disbursed have been utilised for the purposes and in manner as approved by it.
- (v) Monitoring the implementation of the ongoing projects with reference to the approved timeliness and year-wise allocation and may make modification, if any, required for the smooth implementation of the project within overall permissible time period.
- (vi) Disclosure in the Boards' Report, such particulars as mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

- (vii) Disclosure of the composition of the CSR Committee, CSR Policy and the approved projects on the Company's website.
- (viii) Changing duration of project(s) which was initially not approved as multiyear (ongoing) project(s) and whose duration has been extended beyond one year on reasonable justification.

#### **CONSTITUTION OF BOARD LEVEL- CSR COMMITTEE AND FORMULATION OF CSR POLICY**

In accordance with Section 135 of the Act and Rules thereunder, the Company has a duly constituted Corporate Social Responsibility Committee of the Board (CSR Committee) The CSR Committee would comprise three or more directors including at least one independent director and it shall report to the board of Directors. The role of the CSR Committee, inter alia, includes the following:

- (i) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Act.
- (ii) Recommend the amount of expenditure to be incurred on the activities.
- (iii) Monitor the CSR Policy of the Company from time to time
- (iv) Formulate and recommend to the Board, an Annual Action Plan in pursuance of this Policy
- (v) decide on any other matter/thing as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.

#### **SELECTION OF CSR ACTIVITIES**

The Company shall spend its CSR expenditure in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder. The broad guiding principles for selection of CSR activities are:

- Support may preferably be extended to the local areas & those activities wherein the Company operate or has a prior experience to make them most effective. However, this shall not be a restriction for the Company to undertake any other activity as may be deemed suitable by the Committee.
- While selecting the projects, the geographical area, the beneficiaries, the impact of the project on the beneficiaries and the sustainability of the project in the future years, shall be considered.
- The company shall not discriminate against the beneficiaries of the CSR activity on any ground whatsoever including race, gender, caste, religion. And shall adhere to the zero tolerance to the child labour.
- A needs assessment, if required, may be carried out to identify the areas of intervention along with the availability of the resources.
- The programmes identified/adopted should be adaptive and flexible to meet the changing dynamics.
- Focus should be on long-term sustained impact of the programmes rather than one-time impact or requiring continuous intervention.
- All quantifiable socially conscious efforts should be measured and appropriately communicated.

Basis the above-mentioned guiding principles, the Committee will identify the areas for the CSR Programmes of the Company from any of the activities getting covered in Schedule VII to the Act or any other area as may be permitted from time to time.

#### **IMPLEMENTATION OF CSR ACTIVITIES**

The implementation of the identified CSR activities shall be carried out either directly by the Company and/or through an implementing agency or through collaborating with other companies. The implementing agency shall fulfill the criteria as specified under the Act or rules made thereunder. The Company shall clearly define the objectives along with the desired timelines to effectively implement the activities within the given time frame and work towards active engagement of all employees to achieve maximum benefits.

The modalities of execution shall be defined with every identified project. There should also be a check on the available resources, milestones, measurements and accountability so as to effectively implement the activities.

### **MONITORING OF CSR ACTIVITIES**

There shall be a robust monitoring system to ensure that they are carried out to reap optimal benefits for the beneficiaries. There shall be a periodic review by the Committee for the projects undertaken. The Committee may suggest modifications in the planned activities considering the existing scenario/circumstances.

### **ANNUAL ACTION PLAN**

The Committee shall formulate and recommend an annual action plan to the Board for its approval. This annual action plan shall include the following details:

- The list of CSR projects or programmes that are proposed to be undertaken in areas or subjects specified in Schedule VII of the Act;
- The manner of execution of such projects or programmes as specified in the rules;
- The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the projects undertaken by the Company.

Every year, the Committee will place for the Board's approval, an annual action plan delineating the CSR Programmes to be carried out during the financial year and the succeeding years in the case of Ongoing Projects along with the specified budgets thereof. In case of an ongoing project, the Board, on the recommendation of the Committee, shall approve the implementation of the project with 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. It shall also monitor the implementation of ongoing projects.

### **SCOPE OF CSR ACTIVITY**

The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically back ward groups;
- (iv) 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;
- (v) 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 arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war windows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects;
- (xi) Disaster Management
- (xii) Such other activities as may be specified under the Act or the CSR Rules from time to time.
- (xiii) Any other CSR activities as may be notified from time to time.

#### **CSR OUTLAY**

Section 135 of the Companies Act, 2013 and rules made thereunder as amended from time to time provides the broad legal framework of Corporate Social Responsibility and requires every company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediate preceding financial year shall endeavour to spend, in every financial year at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of this Policy and in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.

Any unspent CSR amount or excess spent CSR amount shall be dealt with as provided in sub-section (5) & (6) of section 135 of the Companies Act 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Companies Act, 2013, as amended from time to time. Any surplus amount arising out of the CSR activity shall not form part of the business profit of the company.

The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure including other administration overheads incurred for executing CSR activities shall not exceed 5% of total CSR expenditure of the company in one financial year.

#### **DISSEMINATION OF POLICY**

The company shall from time to time report and provide adequate disclosure in as may be required pertaining to CSR activity and program carried by it.

This policy shall be hosted on the website of the company [www.purshotaminvestofin.in](http://www.purshotaminvestofin.in)

Moreover, this policy shall be reviewed by the committee and approved by the board of directors as may deemed necessary and in accordance with any regulatory amendment and updated accordingly.

#### **LIMITATION AND AMENDMENTS**

In the event of any conflict between any of the provision of this Policy and the Act or rules framed thereunder or any other statutory enactments, the provisions of such Act or rules or statutory enactments shall prevail over this Policy.

In case of any amendment(s), clarification(s), circular(s), notification(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s), notification(s) etc. shall prevail upon the relevant provisions of this Policy and the Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.

#### **APPROVAL OF THE POLICY**

The aforesaid CSR Policy has been recommended by CSR Committee and approved by the Board of Directors of the Company in their meeting held on 06.08.2024.