



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **INTRODUCTION**

For us at Paul Merchants Finance Private Limited (PMFPL), reaching out to underserved communities is part of our rich culture. We believe in the trusteeship concept. We believe, we will be a more satisfied corporate when we operate according to the highest ethical standards, address unmet social needs, function with compassion and promote the well-being of citizens of this Country, their communities and the entire environment. We strongly believe that a responsible corporate should go beyond the Statutory compliances and put something back into the society, which has given so much to the corporate. This entails transcending business interests and doing something for the people who are grappling with the "quality of life" challenges and working towards making a meaningful difference to them.

### **OUR VISION**

"To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

PMFPL is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

### **OBJECTIVES**

The objectives of this policy are to –

- Demonstrate commitment to the common good through responsible business practices and good governance
- Actively support the state's development agenda to ensure sustainable change
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- Engender a sense of empathy and equity among employees of PML to motivate them to give back to the society

### **APPLICABILITY**



1. CSR policy of PMFPL has been developed in line with our corporate philosophy, in consonance with Section 135 of the Companies Act 2013 and in accordance with the CSR rules notified by the Ministry of Corporate Affairs, Government of India this regard.
2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the said Act.

### **CSR BUDGET**

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval.

### **IMPLEMENTATION**

All activities will be identified in an objective manner keeping in mind the ultimate beneficiaries and gauging their basic needs. Consultation with the locals like village panchayats and influential people of the area, will also be resorted to, wherever necessary to sense the most critical needs of the area concerned.

Arising from this, the focus areas where the Company will be taking initiatives under this policy from time to time and as decided by the CSR Committee are:

1. eradicating hunger, poverty and malnutrition, arranging community lunch, donating food to trusts, religious places or to charitable institutions, promoting preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation 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;
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 and handicrafts;



6. measures for the benefit of armed forces, army veterans, war widows, police forces, para military forces and their dependents;
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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government Rural development projects, slum area development.

The activities will be undertaken in a way that preference to the local area and area around it where PMFPL operates will be given. The activities will be undertaken directly or through some Agency as deemed fit by the CSR Committee from time to time or from case to case basis, as permitted as per the Provisions of the Companies Act, 2013. The CSR Committee, from time to time chose activities out of the above list to be undertaken under this policy. The list is only illustrative and not exhaustive. Any other activity, as per the sole discretion of the CSR Committee can be taken up, which is thought to be beneficial for any section of the society.

**BOARD:**

The Board of PMFPL will be responsible for:

- a. approving the CSR policy as formulated and recommended by the CSR Committee
- b. ensuring that in each Financial Year the Company spends at least 2% of the average net profit of the Company, computed as per Section 198 of the Companies Act, 2013 during the three immediate preceding financial years.
- c. ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively
- d. regularly monitoring the implementation of CSR policy.
- e. disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- f. ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.



As per Section 135, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the Company.

### **CSR COMMITTEE**

**I. Composition:** The committee will consist of three or more directors out of which, at least one will be an independent director. At present following are the Members of the CSR Committee:

Sh. Rajneesh Bansal, Non-Executive Director, Chairman  
Sh. Ajay Arora, Independent Director, Member  
Sh. Shaibu Geevarghese Cherian, Whole Time Director, Member

The Board can reconstitute the Committee in case of any resignation or appointment of any new member.

**II.** The CSR committee will be responsible for:

- a. formulating and recommending the CSR policy in compliance to Section 135 of the Companies Act, 2013;
- b. identifying activities to be undertaken as per Schedule VII of the Companies Act 2013 ;
- c. recommending to the Board CSR expenditure to be incurred;
- d. recommending to Board, modifications to the CSR policy as and when required;
- e. regularly monitoring the implementation of the CSR policy.

### **MONITORING AND REPORTING FRAMEWORK**

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities undertaken by the Company under this policy. The Committee will recommend a CSR Budget to the Board for its approval for any Financial Year in the first meeting of the Financial Year. In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework will be put in place, wherein the expenditure heads, geography covered, periodicity and distribution of expenditure over various heads will be monitored on regular basis.

Approved on: 12.06.2019