

PBM POLYTEX LTD.

CIN: L17110GJ1919PLC000495

REGD. OFFICE: OPP. STATION, POST: PETLAD – 388450,

DIST: ANAND, GUJARAT,

PHONE: (0265) 2333587

Website: www.pbmpolytex.com, Email ID: pbm@patodiagroup.com

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

(This has been prepared based on CSR Rules framed by the Ministry)

(Review, Revised and Approved by Board of Directors on 29th May, 2024)

(Effective from 30.06.2021)

1. Need for Corporate Social Responsibility:

The Rules in respect of “Corporate Social Responsibility” (CSR) are enumerated in the Companies (Corporate Social Responsibility Policy) Rules, 2014 framed under Section 135 of the Companies Act, 2013 and the said Rules shall be applicable from Financial Year 2014-15.

Section 135 (5) of the Companies Act, 2013 requires that the Board of Directors of every Company having Net Worth of Rupees 500 Crores or more, or Turnover of Rupees 1,000 Crores or more or a Net Profit of Rupees 5 Crores or more-immediate preceding financial year shall ensure that the Company spends, in every financial year, at least 2 % of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

Any unspent / unutilized CSR allocation of a particular year, will be dealt with in due compliance of law for the time being in force.

Any surplus arising out of CSR Projects or Programs or activities may not form part of the business profits of a Company and shall be dealt with as per the provisions of the Act / Rules.

Any amount spent in excess of requirement provided under sub-section (5) of section 135 shall be dealt with as per the provisions of the Act / Rules.

DEFINITIONS

Act :

Act shall mean the Companies Act, 2013 including with reference to Section 135 and shall include any amendments thereto or re-enactments thereof.

Administrative Overheads:

“Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of 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.

CSR :

“Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

CSR Committee:

"CSR Committee" means the Corporate Social Responsibility Committee of the Board to be constituted from time to time as referred to in section 135 of the Act;

-At present considering the size of CSR amount, the Company does not have CSR Committee.

CSR Policy:

"CSR Policy" means this Policy, formulated and amended from time to time, in accordance with the Act and Rules.

International Organisation:

“International Organisation” means an organisation as defined under Rule 2(g) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Net Profit :

Net Profit means as defined in Rule 2(h) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Ongoing Project:

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Public Authority:

“Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005;

2. Formation of Corporate Social Responsibility Committee of the Board:

In terms of the provisions of Section 135(1) of the Companies Act, 2013, the Company shall constitute a Corporate Social Responsibility Committee of the Board of Directors. Such Committee should consist of 3 or more Directors, out of which at least 1 Director shall be an independent Director.

The Directors’ Report shall disclose the composition of the Corporate Social Responsibility Committee.

In view of the Notification dated 13.02.2021 issued by the Ministry of Corporate Affairs and the CSR liability of the company, since the inception of the Act, the company is not required to form the said committee and therefore all the decisions and powers in this regard vest with the Board of Directors. The committee will be formed as and when required under the Act and the policy in this regard will be framed.

3. The Corporate Social Responsibility Committee (as and when framed) shall,—

- 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 para 4;
- recommend the amount of expenditure to be incurred on the activities referred to in para 4; and
- monitor the Corporate Social Responsibility Policy of the company from time to time.
- prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.
- specify the projects and programmes that are to be undertaken.
- prepare a list of CSR projects / programmes which a company plans to undertake during the implementation year, specifying modalities of execution in the areas / sectors chosen and implementation schedules for the same.
- may also focus on integrating business models with social and environmental priorities and processes in order to create shared value.
- Ensure that surplus arising out of the CSR activity will not be part of business profits of a company

The CSR Policy would specify that the corpus would include the following:

- i. 2% of the average net profits,
- ii. any income arising therefrom
- iii. surplus arising out of CSR activities.

4. Activities to be undertaken under CSR:

Only such CSR activities will be taken into consideration as are undertaken within India and only activities which are exclusively for the benefit of employees of the Company or their family members shall not be considered as CSR activity.

The activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013 are :

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and 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 backward 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 widows 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 socio-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.

Areas/activities specifically excluded from the scope of CSR activities:

1. Expenditure undertaken in pursuance of normal course of business of the Company;
2. Areas/activities that benefit only the Employees of the Company & their families and

3. Contribution of any amount directly or indirectly to any Political Party.

MONITORING:

a) *The Board of Directors of the Company shall review the implementation of CSR yearly.*

b) *The Company shall include a separate disclosure in the Annual Report in details about the Policy developed and on the implementation of CSR activities/project including physical and financial progress during the financial year.*

Company shall report, in the prescribed format, the details of their CSR initiatives in the Directors' Report and in the company's website.

Amendments:

The above guidelines would form the framework around which the CSR activities would be undertaken. CSRC is authorised to make minor modifications to this Policy which also includes the authority to remove ambiguities, enhance clarity on the provisions of the Policy etc. Any major modification to the Policy will require authorisation by the Board of Director of the Company. Further, any subsequent amendment/modification in the Companies Act, 2013 read with Rules made thereunder and/or any other laws in this regard shall automatically apply to this Policy.

Undertaking of CSR Activities directly or through Agency

Company shall undertake CSR Activities either directly or through –

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

In case, if CSR activity is implemented through entity other than Company itself, then the Company shall ensure that such implementing agency has filed CSR-1 electronically with registrar. The Company shall also ensure to take certificate from CFO or the person responsible for financial management affirming that the fund disbursed have been utilized for the purpose and in the manner approved by the Board.