

**PINC** PIONEER INVESTCORP LIMITED

***CORPORATE SOCIAL  
RESPONSIBILITY POLICY***

## **PREAMBLE**

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013.

Pioneer Investcorp Ltd. (PIL), believes to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

## **SHORT TITLE & APPLICABILITY**

This policy shall apply to all CSR initiatives and activities taken up by PIL.

## **OBJECTIVE**

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for PIL to undertake and fulfill its corporate social responsibility. 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 requisite norms.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee shall consist of three or more Directors amongst which at least one shall be an Independent Director. The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of PIL.

The CSR Committee shall:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by PIL as specified in Schedule VII of the Companies Act 2013 (the Act);
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- (c) Monitor the Corporate Social Responsibility Policy of PIL from time to time.
- (d) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of PIL.

## **CSR ACTIVITIES**

PIL shall identify any one or more of the following areas for its CSR activities:

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) promotion of education including special education and employment enhancing vocation skills especially among children, women, 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 centers 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, Paralympics 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) contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects;
- (xi) Slum Area Development.

The activity/list of activities identified by PIL from time to time from the above items shall form part of this CSR Policy. Since this is the first year of formal CSR activity to be undertaken by PIL under the provisions of Companies Act, 2013, the specific modalities of execution of CSR expenditure is being worked upon by the Committee for recommending to the Board of Directors.

Preference shall be given to local area and areas around PIL for spending the amount earmarked for CSR. The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for PIL and disclose its contents in their report and also publish the details on PIL's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors shall ensure that PIL spends at least 2% of the average net profits of PIL made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

The Board of Directors may decide to undertake its CSR activities recommended by the CSR Committee, through a registered Trust or a registered society or a company established by PIL under section 8 of the Act. – Provided that –

- 1) If such trust, society or company is not established by PIL or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- 2)  PIL shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism.

PIL may also collaborate with other Companies for undertaking projects or programs for CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programmes.

PIL may build CSR capacities of their own personnel as well as of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed 5 (five) percentage of the total CSR expenditure of PIL in a financial year.

## **CSR EXPENDITURE**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, PIL will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down as under mentioned. CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

Any unspent/unutilised CSR allocation of a particular year, will be carried forward to the following year, that is, the CSE Budget will be non-lapsable in nature.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity with the CSR Policy.

## **EXCLUSIONS**

The CSR activities shall be undertaken by PIL,(either new or ongoing), excluding activities undertaken in pursuance of its normal course of business. Any Contribution of any amount directly or indirectly to any political party under section 182 of the Act, by PIL shall not be considered as CSR activity. The CSR projects or programs or activities that benefit only the employees of PIL and their families shall not be considered as CSR activities in accordance with section 135 of the Act. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of PIL.

## **IMPLEMENTATION**

CSR expenditure will be undertaken by PIL to the best possible extent within the defined ambit of the identified Project/ Program. By and large, it may be ensured that the CSR expenditure shall be executed in and around the areas adjoining Company's offices.

## **POWERS FOR APPROVAL**

CSR programmes as may be identified by each work centre/corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

## **MONITORING AND FEEDBACK**

To ensure effective implementation of the CSR expenditure undertaken by the Company, the Committee may delegate powers to the senior executives of the Company and the progress of CSR expenditure under implementation will be reported to the Committee on a regular basis.

CSR initiatives of PIL will be reported in the Annual Report of PIL & the Board's Report in compliance with Section 135 and rules made there under.

## **GENERAL**

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

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. PIL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines.

