

PODDAR PIGMENTS LIMITED

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Corporate Social Responsibility (CSR) Policy **(updated 26.06.2021)** (Pursuant to Section 135 of the Companies Act 2013)

I Vision

Your company is a responsible corporate citizen. Our vision is 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.

II Commitment

We are committed to:

- Continuous improvement in our Corporate and Social Responsibility (CSR) strategy;
- Encouraging or business partners to strive for matching performance;
- Acting in a socially responsible way;
- Continually improving our performance and meeting all relevant legislation;
- Encouraging our staff to be mindful of the effect of their actions on any natural resource.

III Objectives:

CSR has always been and shall always be an integral and strategic part of our business process. It is a vital constituent of our company's commitment to sustainability. The Company's size and scope, small steps have been always taken at unit level for social and inclusive development in the local area. In implementing this policy, we aim to be responsible and be an exemplar of good practice.

IV The Scheme

Efforts would be made to focus on activities in areas around the units of the Company. CSR policy of PPL is broadly framed taking into account the following measures: -

- a) Welfare measures for the community at large so as to ensure the poorer section of the Society derived the maximum benefits.
- b) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income.
- c) Protection and safeguard of environment and maintaining ecological balance.

V Strategy

The Committee will focus on activities in areas, excluding those undertaken in pursuance of normal business of the Company, selected from those identified and prescribed under the Companies Act, 2013 with greater participation in the areas of health and social welfare, efforts towards reducing child

mortality, promotion of education & social responsible behavior, and employment enhancing vocational skills.

A CSR Activities

The focus areas that have emerged are Education, Health care, Sustainable livelihood, Infrastructure development, and espousing social causes.

(I) As per Schedule VII following activities are covered:

S. No.	Details
(i)	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
(ii)	Promoting 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 environmentally sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.
(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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
(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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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)	<p>(a) 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; and</p> <p>(b) 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 Organization (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</p>

	(SDGs).
(x)	Rural development projects
(xi)	Slum area development
(xii)	Disaster management, including relief, rehabilitation and reconstruction activities.
(xiii)	Any other activity, which may be permitted under the relevant CSR rules framed by the Central Government.

(II) Activities are NOT COVERED under CSR :

- The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities.
- One-off events such as marathons/ awards/ charitable contribution/advertisement/sponsorships of TV programs etc. would not be qualified as part of CSR expenditure.
- Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act, etc.) would not count as CSR expenditure.
- Contribution of any amount directly or indirectly to any political party shall not be considered as a CSR activity.
- 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
- Activities are undertaken by the company in pursuance of its normal course of business

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.

B Implementation of the CSR strategy

The relatively small size and geographical spread, it has not been practical to undertake directly any significant project outside these. The Company thus adopted a policy to support external bodies including relevant bodies, NGOs or Government Relief Funds selected by the Committee, including through financial contribution to them.

C Broad Guidelines for implementation

- (a) The CSR expenditure would be on activities mentioned above or as may be permitted under the Companies Act, 2013.
- (b) The modalities of utilisation of funds, monitoring of the CSR activities and reporting thereof shall be agreed upon between the implementing agency and the Company whenever the activity is undertaken through the implementing agency.

- (c) The Company can collaborate with other Companies for undertaking CSR activities.
- (d) The surplus arising out of the CSR activities shall not form part of the business profit of the Company.
- (e) Company shall give preference to the local area and areas around where it operates.

D Methodology for Implementation

- a) The CSR Committee shall assist in developing all proposals under CSR activity in consultation with members.
- b) All the CSR proposals shall be referred in the CSR committee meeting for evaluation.
- c) The Members of CSR Committee may interact for seeking suitability/justification for the proposed CSR activity and may fix priorities of the activities to be undertaken under CSR.
- d) The committee member shall evaluate the usefulness of the proposal and the budgetary support and send his recommendation to the Board.
- e) The CSR Committee shall consider and deliberate on the recommendation and thereafter grant their approval by the Board.

VI Monitoring

Monitor the implementation of the said CSR Policy from time to time in the CSR committee meeting and discuss on the on-going CSR activities, the progress made there under and the amount of expenditure incurred on the said activity.

VII Source of Fund

The Company will endeavor to spend, in every financial year, an amount considered appropriate by the Board, *inter-alia* keeping in view the benchmark of 2% of the average net profits of the Company during the 3 immediately preceding financial years. Surplus, if any, arising out of CSR projects shall be ploughed back and will not form part of the business profit of the Company.

The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the CSR Plan.

If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR Committee.

VIII Upkeep and Maintenance of Assets Created

Maintenance of Assets created under CSR would be the Responsibility of the entity managing the activities/implementing agency and the Company shall not assume the same

IX The CSR committee will formulate and recommend to the Board, an annual action plan in pursuance of this Policy, which will include the following:

- a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b. The manner of execution of such projects or programmes as specified in Rule 4(1) of the CSR Rules;
- c. The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. Monitoring and reporting mechanism for the projects or programmes; and
- e. Details of need and impact assessment, if any, for the projects undertaken by the Company.

IX Conclusion

The above guidelines would form the framework around which the CSR activities would be undertaken. PPL will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.
