

*CSR POLICY*



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## **CSR POLICY**

1. Pegasus having earned profit in excess of 5 Cr during the last three financial years is required to set up a CSR Committee to identify, direct and monitor CSR related activities as per the provisions of the Companies Act, 2013. The applicable provisions of the Act related to CSR activities are mentioned in Annexure—1 . Further the Committee once formed is required to formulate CSR policy guidelines for the company so as to identify potential areas for carrying out CSR related activities.
2. The CSR Committee of the Board of Directors of the Company is authorised to carry out CSR activities.
3. The committee after due deliberations has formulated the following CSR policy for the Company

### **CSR ROADMAP**

- (i) Develop meaningful and effective strategies for engaging the company in activities which produces overall positive impact on society at large;
- (ii) Identify and support activities which ensures
  - a) environmental sustainability, protection of flora and fauna and animal welfare,
  - b) promoting gender equality, empowering women, setting up homes and hostels for women and orphans;
  - c) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water.
- (iii) Consult with locally active agencies engaged in the chosen fields to identify effective and appropriate developmental programmes depending on the needs;
- (iv) Partner with credible organizations like trusts, foundations etc. including non-government organizations operating in the areas such as, healthcare, environment;

animal welfare and women livelihood enhancement projects

- (v) Nurturing young minds and developing them into responsible citizens specially from the under privileged section of society;

CSR PROJECTS, PROGRAMS AND ACTIVITIES

In accordance with the specified activities under the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and any amendment(s) thereof, the thrust areas identified under the CSR activities of the Company are as under:

| ENTRIES IN SCHEDULE VII TO THE COMPANIES ACT 2013   | THRUST AREA IDENTIFIED BY THE COMPANY   |  |
|---|---|--|
|   | PROJECTS OR PROGRAMS  | MODALITIES OF EXECUTION  |
| (i) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. | Mid-Day Meal (MDM) programme<br><br>Promoting Health Care<br><br>Sanitation & safe drinking water.  | The area to be covered and the participating the this area may be covered, organization / entity for execution of activities to be identified. |
| (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.  | Supporting education of underprivileged children / girl child.<br><br>Sponsorship of education through scholarships for only deserving girl candidates. | This area may be covered and organization / entity through whom the programme is to be executed to be identified.                              |

|   |  |   |
|---|--|---|
| <p>(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.</p>                                     | <p>Sponsoring vocational education for women</p>                               | <p>This area may be covered and the participating organization / entity for execution of activities to be identified.</p> |
| <p>(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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.</p> | <p>Supporting projects for animal welfare and environmental sustainability</p> | <p>This area to be covered and participating organization / entity for execution to be identified.</p>                    |
| <p>(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;</p>   | <p>Not at this stage</p>   |   |
| <p>(vi) measures for the benefit of armed forces veterans, war widows and their dependents;</p>   | <p>Not at this stage</p>   |   |

|  |                           |  |
|--|---------------------------|--|
| <p>Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;</p>   |                           |  |
| <p>(vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports</p>  | <p>Not at this stage.</p> |  |
| <p>(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;</p> | <p>Not at this stage</p>  |  |
| <p>(ix) (a) contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government and<br/>(b) contributions to public funded Universities</p>   | <p>Not at this stage</p>  |  |

|   |                    |  |
|---|--------------------|--|
| (x) rural development projects  | Not at this stage. |  |
| (xi) slum area development.   | Not at this stage. |  |
| (xii) disaster management, including relief, rehabilitation and reconstruction activities | Not at this stage. |  |

### **OTHER POLICIES/ GUIDELINES FOR COMPANY'S INVOLVEMENT**

- (A)
1. Both new projects as also existing projects will be eligible for assistance under the scheme.
  2. Assistance can also be granted for undertaking research, special study , survey by and consultancy support to , organizations working in these fields.
  3. Trusts and companies incorporated in India having 80 (G) clearance from the Tax authorities will only be eligible for assistance by the company. Proprietorship/Partnership organizations will not be eligible for assistance from the company.

(B) **MODE OF ASSISTANCE**

Assistance from the company can be in the form of

- a. One time grant or donation for a new project or existing projects
- b. Long term support to new projects or existing projects or entity can be given on ongoing basis for an initial period up to 5 years and such period can be extended further in deserving cases at the discretion of the CSR Committee depending on progress and satisfactory utilization of assistance already given to them in the past. No prior commitment however should be made as to the amount and period of such assistance by the Company to any project and or any entity.
- c. Assistance cannot be given for meeting any cash loss or past debts of identified entities.
- d. Assistance cannot be given as contribution towards share capital/quasi capital of a company or as sponsor cum settlers' fund in a Trust.

- e. Quantum of assistance per project and or entity shall be decided by the CSR Committee every year, depending on availability of funds with the Company and its profitability, on a case to case basis.

**( C )      CAPACITY BUILDING**

The Company being a small company need not build CSR capacities of its own personnel but should properly follow-up and monitor the activities of the implementing/execution partners through which or in collaboration with which the Company undertakes/ may undertake CSR activities so as to ensure effective use of the money being spent.

**MONITORING AND REVIEW MECHANISM**

The administration of the CSR Policy and the execution of identified CSR projects, programs and activities under it shall be carried out under the overall superintendence and guidance of the CSR Committee aided by an internal monitoring team.

The internal monitoring group shall comprise of :

1. Ms. Sujata Achrekar
2. Mr. Dhimant Shah

Further, more members can be added in the group whenever needed.

The internal monitoring group shall submit its report once in six months periodically to the CSR Committee which shall monitor the CSR activities of the Company.

Further, any or all provisions of the CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the guidelines on the subject as may be issued, from time to time.

**(D)      APPROVAL AND REPORTING**

1. All proposals to be cleared by the CSR Committee
2. End use report of the assistance to be furnished to the CSR Committee every year. For this assisted organizations will require to give regular reports on progress of the schemes for which assistance given to the monitoring Committee

3. The assisted projects should preferably be visited once in a year to assess the progress of implementation and or success achieved towards the objective for which assistance is granted. Visit reports to be placed before the CSR Committee with in specified time after the visits.
4. Assisted entities will require to submit Audited Annual Accounts to the Company and the same as and when received to be placed before the CSR Committee with appropriate analysis.





## **ANNEXURE---1**

### **Corporate Social Responsibility under the Companies Act,2013 :**

#### **Section 135**

##### **Applicability:**

Every company having:-

- **Net worth** of Rs. **500** crore or more, or
- **Turnover** of Rs. **1000** crore of more, or
- **Net profit** of Rs. **5** crore or more,
- During **any** financial **year** shall constitute a CSR Committee of the Board.

##### **Meaning of Net Profit:-**

"Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which. Are covered under and complying with the provisions of section135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial - statements were prepared in accordance with the provisions of the Companies Act, 1956 (1 to 1956) shall not be required to be re-calculated in accordance with the provisions of the Act.

##### **Committee Members:**

Three or more directors, out of which at least one director shall be an independent director. So, Minimum Directors should be three and at least one director should be Independent Director.

## **CSR Activities.-**

- (1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- (2) The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise:

Provided that-

- (i) if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
  - (ii) the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- (3) A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
  - (4) Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
  - (5) 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 in accordance with section 135 of the Act.
  - (6) Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.
  - (7) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

### **Clarification by Companies (Corporate Social Responsibility Policy) Rules 2014,**

- an unlisted public company or a private company which is not required to appoint an independent director as per sec 149(4) of the Act, shall have its CSR Committee without independent director.
- a private company having only two directors on its Board shall constitute its CSR Committee with two such directors;

### **Permitted activities as per CSR Policy:**

- 1.** Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 2.** promoting education, including special education and employment enhancing vocation skills especially among children , women, elderly , and differently abled livelihood enhanced 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 measure for reducing inequality faced by the socially and economically backward Groups;
- 4.** ensuring environmental sustainability , ecological balance, protection of flora and fauna , animal welfare, agroforestry, conservation of natural resources and maintaing quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 5.** Protection of national heritage , art and culture including restoration of buildings sites of historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts;
- 6.** measure for the benefit of armed forces veterans, war widows and their dependents and and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- 7.** training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
- 8.** contribution to the Prime Minister Relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) any other fund set up by the Central Government for socio- economic development and relief and welfare of the schedule castes, the scheduled Tribes, other backward classes, minorities and women;

9. (a) contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(b) contributions to public funded Universities

10. rural Development Project

11. slum area development.

12. disaster management, including relief, rehabilitation and reconstruction activities

### **Functions of CSR Committee**

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company.
- Recommend the amount of expenditure to be incurred on the activities and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

### **CSR Policy:-**

The CSR Policy of the company shall include the following namely :-

- a list of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Act, specifying implementation schedules for the same.
- monitoring process of such projects or programs:
- the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.
- that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.
- The CSR Policy of the company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

### **CSR Expenditure:-**

CSR expenditure shall include following expenditures:-

- all expenditure including contribution to corpus, or
- on projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee

### **Exclusions/Restrictions:**

Following are the restrictions:-

- Programs or activities undertaken exclusively for employees or their families shall not be considered as CSR
- Any contributions made to political parties u/s 182 of CA,2013 shall not be given credit
- Projects or activities undertaken in India will only be given credit or counted for the purpose of mandatory spend limit
- Companies are allowed to spend up to 5% of total spend in any financial year to build capacities of their own CSR personnel or the agencies through whom CSR activities are undertaken.

### **BOD responsibility:**

1. The Board of the company after taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed and Ensure that the activities as are included in CSR Policy of the company are undertaken by the company.
2. The Board of the company 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 CSR Policy".

**CSR Reporting:-**

- The Board's Report of a company shall include an annual report on CSR containing particulars specified in Annexure given in Companies (Corporate Social Responsibility Policy) Rules 2014.

Any deviation from this policy will have to be approved by the Board. The policy will be reviewed annually.

