

**CORPORATE SOCIAL RESPONSIBILITY POLICY  
OF**

**PSB ALLIANCE PRIVATE LIMITED**

**(CIN: U74990MH2010PTC209208)**

**Unit 1, 3<sup>rd</sup> Floor, VIOS Tower, Off Eastern Freeway, Near Wadala Truck  
Terminal, New Cuffe Parade, Wadala East, Antop Hill, Mumbai – 400037.**

## 1. Introduction

The Company believes that Corporate Social Responsibility Policy is necessary for social and environmental wellbeing and essential for the sustainability of corporate actions.

The Board of Directors of **PSB Alliance Private Limited** has adopted the following Policy on the recommendation of the CSR Committee. This Policy is framed as per provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 2. Scope

This Policy covers process which the Company shall adopt regarding approval and spending of financial resources on its CSR activities.

## 3. Definitions

- 3.1. **“Act”** means the Companies Act, 2013;
- 3.2. **“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;
- 3.3. **“Annexure”** means the Annexure appended to in Companies (Corporate Social Responsibility Policy) Rules, 2014;
- 3.4. **“Board of Directors or Board”** means the “Board of Directors” of the Company.
- 3.5. **“Company”** means “PSB Alliance Private Limited”
- 3.6. **“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 and in accordance with the provisions contained in Companies (Corporate Social Responsibility Policy) Rules, 2014, but shall not include the following, namely:-
  - (i) activities undertaken in pursuance of normal course of business of the company;
  - (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;
- 3.7. **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013.
- 3.8. **“CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding

principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

- 3.9. **"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 Section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-Section (1) of Section 381, read with Section 198 of the Act;

- 3.10. **"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;
- 3.11. **"CSR Expenditure"** shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities specified in this Policy as approved by Board on recommendation of CSR Committee. Expenses on activities other than the ones prescribed in this Policy will not be considered as a CSR Expenditure. Further, the CSR projects or programs or activities undertaken in India shall amount to CSR Expenditure only.
- 3.12. **"Public Authority"** means 'Public Authority' as defined in clause (h) of Section 2 of the Right to Information Act, 2005 (22 of 2005);
- 3.13. **"Section"** means a Section of the Act.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable law or regulation.

#### 4. Policy framework:

The CSR Committee of the Board shall recommend CSR expenditure on any of the prescribed activities in compliance of the provisions of Section 135 and Schedule VII of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014. CSR Committee shall give preference to local and areas around the Company's operations. The Board thereafter shall authorize the CSR expenditure in compliance of the aforesaid provisions of law as amended from time to time. The Board shall ensure that requisite disclosure regarding composition of the CSR Committee, CSR expenditure, and CSR activities have been made in the Board Report every year. Further, the Board shall ensure activities recommended are carried out by the Company.

The CSR Committee shall formulate and recommend to the Board for approval a CSR Annual Action Plan, which shall contain all matters which are required under Applicable Law and any other matters

as the CSR Committee may deem fit from time to time. The Board may modify the Annual Action Plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

The Board may approve and allocate such amount of its average Net Profits on recommendation of the CSR committee, as its Annual CSR Budget in each Financial Year in terms of the provisions of the Companies Act, 2013 and rules made thereof as amended from time to time. However, surplus arising out of CSR projects or activities shall not form part of the business profit of the Company.

## **5. CSR Governance:**

- 5.1. The Company's Board of Directors shall form a CSR Committee, as applicable. The CSR Committee shall comprise of the number of members mandatorily required by the Act. The CSR Committee shall be responsible for monitoring of all CSR activities from start to finish.
- 5.2. Formulation/amendments/modifications of CSR Policy shall be recommended by the CSR Committee to the Board of Directors for its approval.
- 5.3. If the provisions of Section 135 of the Act are applicable, the CSR Committee shall meet at least once in a year to review the implementation of CSR projects/ programs and give suitable direction.
- 5.4. The Company shall disclose the content of the Policy in its report and place the Policy on the Company's website in the manner prescribed under Section 135 of the Act.
- 5.5. The Committee shall ensure that the CSR activities are related to the activities, areas or subjects included in Clause 6 of the CSR Policy.
- 5.6. The Committee shall ensure that CSR projects included in the Policy are undertaken by the Company.
- 5.7. The Company can undertake CSR activities either by itself or through other entities eligible to undertake CSR activities as provided under the Act.

## **6. CSR Focus Areas:**

The CSR Committee has identified the following core areas for CSR:

- 6.1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care 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;
- 6.2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

- 6.3.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;
- 6.4.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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 6.5.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 art and handicrafts;
- 6.6.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;
- 6.7.training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- 6.8.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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 6.9.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
- 6.10. 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 Organisation (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 (SDGs).
- 6.11. rural development projects;

6.12. slum area\* development;

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

\*The term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

## **7. Execution process**

The Company shall undertake its CSR activities in line with this Policy and as approved by the CSR Committee, through a registered public charitable trusts or a registered society, registered under Sections 12A and 80G of the Income Tax Act, 1961, companies established by the Company or its Holding or Subsidiary or Associate Company under Section 8 of the Act (corresponding to Section 25 of the Companies Act, 1956) and/or through any implementing entity as permitted under the Act and CSR Rules.

The Company may also undertake CSR activities through any trust, society or Section 8 Company which is not established by the Company or its Holding or Subsidiary or Associate Company, provided such trust, society or Section 8 company is having an established track record of three years in undertaking similar programs or projects or where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

The 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.

## **8. Utilization of fund**

The Company shall utilize at least 2 percent of the average net profit of the Company made during the last three (3) immediately preceding financial years in the CSR activities as enumerated above in this Policy. In any case, if in any year company fails to spend such amount on CSR, the Board will, in its report made under Section 134 (3) (o) of Companies Act, 2013, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend may be carried forward for set off against the CSR obligation of the Company for the next three consecutive financial years in the manner decided by the Board in compliance with the provisions of the Act and the Rules.

## **9. Surplus arising from CSR activity**

Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the Company and shall be treated in the following manner:

a) ploughed back into the same project;

b) shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR Policy and Annual Action Plan on the Company; or

c) such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

#### **10. Responsibilities of the Board**

The responsibilities of the Board concerning CSR are as follows:

10.1. Approving CSR Policy of the Company.

10.2. Ensuring that the Company spends, in every financial year, as applicable, at least 2 percent of the average net profits made during the three immediately preceding financial years or such minimum budget as may be statutorily mandated under the law.

10.3. Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount.

10.4. Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.

10.5. Ensuring that administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

#### **11. Monitoring**

The Company shall implement CSR activity directly or through implementation agencies. The CSR activities may be monitored by the site CSR teams or in house CSR teams, if any, any Project Manager, as may be appropriate.

The Company shall obtain reports of the progress/completion of the CSR projects and include the details in the Company's Annual Report.

#### **12. Impact Assessment**

Impact assessment shall be undertaken by the Company or by recipient or by implementing agency as required by and in the manner set out under Applicable Law, and the impact assessment report(s) shall be placed before the CSR Committee and the Board, and shall be disclosed as legally required.

#### **13. Policy Review**

The CSR Committee will review this Policy annually and make recommendations, if changes are required therein to the Board for its approval.

**14. Interpretation**

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 and rules made there under or any other statutory enactments/ rules, the provisions of such Act, statutory enactments shall prevail over this Policy.

**15. Amendment(s)**

The Board of Directors shall be empowered amend this Policy, in whole or in part, from time to time, after taking into account the recommendations from the CSR Committee.