



PACIFIC INDUSTRIES LIMITED

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POLICY ON

CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. Concept

Pacific Industries Limited hereinafter referred to as “Company” is engaged in various social initiatives in the area of Education, & Healthcare services, rural development, etc. The Company is required to formulate a Corporate Social Responsibility (CSR) Policy pursuant to the provisions of the Companies Act, 2013 and the Rules framed thereunder.

1.1 CSR in India

CSR in India has traditionally been seen as a philanthropic activity. The new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The new Companies Act 2013 (hereinafter referred to as ‘the Act’), has introduced the idea of CSR to the forefront and through its “Comply-or-Explain” mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as “CSR Rules”) lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

1.1 OBJECTIVE & SCOPE

- a) The main objective of the CSR Policy is to lay down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community in and around its area of operations and other parts of the country.
- b) This Policy covers current as well as proposed CSR activities to be undertaken by the Company. It covers the CSR activities which are being carried out in India only, for the benefit of different segments of the society at large and includes strategy that defines plans for future CSR activities.
The Company proposes to implement its CSR activities in various sectors stated hereunder:

1.2 Targeted Sectors

- Healthcare
- Sanitation
- Drinking Water
- Education
- Rural Development
- Entrepreneurship Skills
- Employment
- Opportunities
- Facility for senior citizens
- Medical Aid
- Special Employment Opportunities for Women
- Environment Protection

Final Draft - CSR Policy

- Rural Development Projects
- Contribution to technology incubators located within academic institutions
- Go Green Initiatives
- Human Rights
- Any other area as may be prescribed by Schedule VII amended from time to time ☐

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

1.3 Constitution of CSR Committee

- a) The Committee shall consist of a minimum 3 Directors where one of whom shall be Independent Director.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Terms of the Committee shall be continued unless terminated by the Board of Directors.

1.4 Chairman

- a) The Chairman of the Committee shall be an Independent Director.
- b) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- c) The Chairman of CSR Committee should present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

1.5 Function of CSR Committee

The CSR Committee shall:-

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
- b) Recommend the amount of expenditure to be incurred on CSR activities and Monitor the CSR policy from time to time.

2. Resources

1.1 Funding & Allocation

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Board of Directors of Pacific Industries Limited shall ensure that the Company spends at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.

3. CSR Activities

The Company shall undertake and execute all or any of the following CSR activities ("CSR projects/ programmes"):

Eradicating hunger, poverty and malnutrition, in particular, the following activities: Generating awareness on malnourishment and measures to eradicate it. Providing mid-day meal through recognized trust & other institutions.

- Promoting health care including preventive health care facilities to the society through recognized trust or societies and hospitals including the following activities:
 - Safe drinking water availability.
 - Engaging health workers locally from the villages for addressing Mother. -Taking care of mentally retarded children.
 - Taking care of old age people.
 - Running health center for ANC checkup, pre and post natal care. DOTS center for Tuberculosis.
 - Health clinics for diagnosis of communicable diseases.
- Promoting education through schools and other organization:-Providing education

to mentally retarded children.

- Support the schools for meeting the expenses relating to educational aids and other expenses.
- Scholarships to students.
- Improving sanitation- Toilet construction. Setting up libraries.
- Improving/maintaining infrastructure for education & sports activities. Supporting in teaching aids.
- Providing education to under privilege children.
- Others- financially, logistically and organizationally.

The CSR Committee may identify other areas for CSR activities, from time to time.

4. Monitoring & Feedback

4.1 The CSR Committee will monitor all CSR projects / programmes. Broadly, the following procedure will be adopted by the CSR Committee:

- Specific projects with locations, budgets and time schedules shall be recommended by the CSR Committee in the beginning of every financial year to the Board for their approval.
- Funds towards particular projects / programmes will be released on requirement basis.
- The CSR Committee would meet as and when required to take note of project wise status of project completion and funds utilization and to compare with budgeted funds and time lines. The minutes of the meetings of the CSR Committee will be placed before the Board.

4.2 CSR Team will also try to obtain feedback from beneficiaries about the programmes or may depute professional to get report for better monitoring, if required.

5. Board Responsibility

The Board of Directors of the Company shall ensure that:

- CSR activities, as per clause 3 of this Policy, are undertaken by the Company.
- the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.
- The reasons for not spending the above amount will be explained in the Board's Report, if the Company fails to spend such amount.

6. Review and Amendment

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the provisions of Companies Act, 2013 and rules framed there under as and when required and that will be followed by the CSR Committee.

7. Disclosure/ Reporting

- The CSR Policy will be displayed on the Company's website.
- An annual report on CSR containing the particulars as prescribed under the CSR Rules shall form part of the Board's Report of the Company.