

**Corporate Social Responsibility (CSR) Policy  
Permanent Magnets Limited**

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## **1. PREAMBLE :**

**Corporate Social Responsibility** or **CSR**, refers to the belief that businesses have a responsibility to society beyond their obligations to their stockholders or investors. CSR is a way of conducting business, by which a corporate entity visibly contributes to the social good. At Permanent Magnets Limited (herein referred as 'PML' or 'the Company'), our Purpose is to build trust and solve important problems in society. We endeavour to evolve our relationship with all our stakeholders for the common good, and validate our commitment in this regard by adopting appropriate business processes and strategies.

## **2. SCOPE & APPLICABILITY :**

The provisions related to CSR are incorporated under Section 135 of Companies Act, 2013 (the Act) read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) and amendments there under time to time along with General Circular No. 21/2014 w.r.t. Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013.

This Policy has been formulated under the above provisions of the Act and shall be applicable to all CSR initiatives and activities undertaken by the Company, for the benefit of different segments of society.

## **3. OBJECTIVE:**

The Objective of this Policy is to:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.
- Identify broad areas of intervention in which the company will undertake projects.

## **4. FOCUS AREA**

In accordance with the requirements under Companies Act, 2013, PML CSR activities, amongst others, will focus on:

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;

2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hotels 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;
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;
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 arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. Contribution to 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 Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects;
11. Slum area development.

'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.

#### **5. CSR COMMITTEE:**

The CSR Committee shall consist of three or more Directors, out of which at least one director shall be an independent director. The Committee shall meet, whenever required, to discuss and review CSR activities and Policy. Quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

The Committee shall have the authority to invite such employee(s), senior official(s)

and or externals experts, as it may deem fit, to attend the CSR Committee Meeting(s). The Company Secretary, if any, shall act as Secretary to the Committee.

The composition of the CSR Committee of the Board is as under.

S. No.	Name	Designation/Category	Designation Committee	–	CSR
1.	Shri. Rajeev Mundra	Independent Director	Chairman		
2.	Shri. Sharad Taparia	Managing Director	Member		
3.	Shri. Mukul Taparia	Director	Member		

#### **6. ROLES AND POWERS OF THE 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 referred to in above clause.
- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- Formulate and share the CSR action plan with budget for the year with the Board of Directors and seek approval. Implement the activities either through the Implementation Agency or directly through its own team.
- Spend the allocated amount on CSR activities once approved by the Board of Directors and create a transparent monitoring mechanism of CSR initiatives.
- Submit periodic reports to the Board for the activities undertaken.

#### **7. SCOPE & THE GEOGRAPHIC REACH:**

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. However, the Committee may identify such areas, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

#### **8. FUNDING:**

As per the regulations the company will set aside, for annual CSR activities, an amount equal to 2% of the average net profits of the Company made during the three immediately preceding financial years and as per amendments there under time to

time. Any unutilized CSR allocation fund of a particular year, will be carried forward to the next financial year i.e. the CSR budget will be non-lapsable in nature. The surplus arising out of the CSR activity will not be part of business profits of the Company.

**9. AMENDMENTS TO THE POLICY:**

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.