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PEP AGRO INDUSTRIES PRIVATE LIMITED

CSR POLICY

BACKGROUND

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is, inter alia, required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

PHILOSOPHY

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit which resonates with the policy of the Company.

FOCUS AREAS

The main responsibilities of the Company towards society at large are to eradicate hunger, promoting health care including preventive health care, education, sanitation, rural development, animal welfare, making available safe drinking water, poverty and malnutrition and disaster management, including relief, rehabilitation and reconstruction activities.

OUR VISION

1. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
2. The Company is committed towards improving the quality of lives of people in the communities in which it operates because, the society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to the society through CSR activities is its moral duty.
3. The Company aims to fulfil the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.

APPLICABILITY OF THE POLICY

1. The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.
2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under-privileged.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

COMPOSITION

The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135(1) of the Companies Act, 2013, which currently comprises:

1. Purushottam Agarwal, Member
2. Sunil Kumar Agarwal, Member

ROLE OF CSR COMMITTEE:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).
- b) To recommend the amount of expenditure to be incurred on the activities in a financial year.

- c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Any other matter as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

RESPONSIBILITIES OF THE BOARD

The Board shall:

- a) Form a CSR Committee and disclose the composition of the CSR Committee.
- b) Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- c) Place the CSR Policy on the Company's website.
- d) Ensure implementation of the activities under CSR
- e) Ensure expenditure of requisite amount on CSR every year as per law.
- f) Disclose reasons for not spending the amount (if applicable) in the Annual Report.
- g) Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- h) Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee.
- i) Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

GENERAL

- ❖ Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto.
- ❖ This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- ❖ In all such matters, the interpretation & decision of the CSR Committee shall be final.
- ❖ The Company reserves the right to modify, cancel, add, or amend any of these Rules.