

PROCAL ELECTRONICS INDIA LIMITED

CIN: L32109MH1992PLC066276

Regd off: - 201, SHYAM BABA HOUSE CHS LTD. UPPER GOVIND NAGAR, MALAD - EAST, Mumbai
400097

Email pd-procalelectronics@gmail.com

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

OBJECTIVE

The main objective of the CSR policy is to lay down guidelines for Procal Electronics India Limited to ensure that its CSR spend results in a positive contribution to the society.

CSR PROGRAM SCOPE

The Companies Act, 2013 ("the Act") together with the Rules notified thereunder and Schedule VII to the Act and circulars, notifications with regard to the CSR Activities issued by the Ministry of Corporate Affairs from time to time provides a framework for companies to carry out their CSR Activities. Further, the CSR Rules provides directions on agencies eligible for implementation through which companies may spend its CSR Expenditure. Procal Electronics India Limited plans to undertake the CSR Activities which are covered in Schedule VII of the Companies Act, 2013. The List of CSR Activities according to the said Schedule VII is enclosed as Annexure 1 to this Policy.

RESPONSIBILITIES / POWERS OF THE BOARD OF DIRECTORS

- * The Board shall be responsible on the adherence to this Policy.
- * The CSR Committee shall assist the Board to comply the Company's CSR obligation.
- * The CSR Committee shall work under the superintendence and control of the Board.
- * To undertake the CSR activities by the Company itself or through any Implementing Agency.
- * Ensure that the implementation of CSR Activities are undertaken according to the parameters set out in the Act and Rules.
- * Approve Annual Action Plan and alter the said Plan at any time during the financial year as per recommendation of the CSR Committee, based on reasonable justification to that effect.
- * Approve any modification of whatsoever nature to any of the ongoing project within the CSR Regulatory framework.
- * Display this policy on the website of the Company in the manner as prescribed under the Companies Act, 2013.
- * Any other responsibility or powers that are entrusted under the provisions of the Companies Act, 2013 including any subsequent modifications thereof.

CSR COMMITTEE

• Committee Constitution

Pursuant to the provisions of Section 135 of the Companies Act, 2013 the Board of Directors of the Company (hereinafter referred to as "the Board") shall constitute the CSR Committee. The Members of the CSR committee shall be appointed by the Board and must constitute at least 2 or more Directors. Any reconstitution to the CSR Committee shall be approved by the Board.

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• Duties and Responsibilities

Following are the Powers of the Committee:

*Formulate and approve any change to the CSR Policy & recommend the same to the Board of Directors of the Company for approval.

*Formulate an Annual Action Plan (including any changes thereto) and recommend the same to the Board for its approval.

*Seek approval from the Board of Directors of the Company on CSR expenditure, only if the CSR budget exceeds the threshold stipulated by the Act .

*Within the CSR budget the allocation towards respective CSR projects will be approved by the CSR Committee of the Board.

*Select and approve the CSR Activities / Projects to be undertaken by the Company as covered under Schedule VII to the Act.

*Recommend the CSR expenditure budget on those activities approved by the CSR Committee, only if the CSR amount exceeds the threshold stipulated under the Companies Act, 2013.

*Review the various proposals and thereafter, identify the eligible entities / agencies and select them for allocation of CSR amount. All projects undertaken by the Company shall be approved / ratified by the CSR Committee.

*Spend the allocated CSR amount on the CSR activities.

*Review implementation of CSR activities as per scheduled timelines and set deliverables.

*Monitor and review periodically to track the progress of the CSR activities / projects undertaken by the Company on which the CSR amount has been spent and share with the Board periodically for its information.

*Monitor the CSR Policy from time to time.

*Authorize senior executives of the Company or the experts to attend the CSR Committee meeting and liaise with the identified entities / agencies for the purpose of carrying out the CSR activities.

*Recommend to the Board any modification of whatsoever nature to any of the ongoing CSR project *(given below as defined under the CSR Rules including any amendment thereof).*

“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.

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*To propose and approve any new project during the financial year.

*To act according to the directions that may be stipulated by the Board of Directors of the Company or as specified in the Act / Rules from time to time.

• Frequency of the Meetings of the CSR Committee

*The CSR committee shall meet at least once in a year or as and when it may deem fit;

*Members of the CSR committee can agree upon mutually regarding the time and place for the said meetings.

*Quorum of the meeting should be of 2 Committee Members who are also the Board Members.

*Notice and the agenda of meeting shall be given to the members in the same manner as applicable to Board Meetings of the Company.

*The members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time.

*The CSR committee may decide to add permanent invitees to the meetings.

*Other members of the Senior Management may attend the CSR Committee Meetings as maybe appropriate, subject to the approval of the CSR Committee.

*Each member shall be entitled to one vote and the decision shall be decided by the majority of votes. In case of an equality of votes, the Chairperson of the meeting has a casting vote.

*Minutes of the CSR Committee shall be placed before the Board for noting.

IMPLEMENTING AGENCY

Implementing agencies through whom the company would undertake its CSR activities shall be such agencies as are prescribed under the Act / Rules.

It shall have registrations under section 12A and 80G of the Income Tax Act, 1961 and a Unique CSR Registration Number obtained from the Ministry of Corporate Affairs, as its applicability.

It shall also have an established track record of at least three years in undertaking CSR activities.

CSR BUDGET / CSR SPEND

• Budget

The CSR Budget would be according to the threshold stipulated under section 135 of the Act and subsequent amendments notified from time to time, but may not be limited / restricted to the stipulated threshold.

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• Spend

The amount should be spent for CSR activities in India and in accordance with the Provisions of Section 135 of Companies Act, 2013.

Administrative Overheads (*given below as defined under the CSR Rules including any amendment thereof*) shall not exceed 5% of the total CSR expenditure of the company for the financial year.

“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.

• Set-off / carry forward of excess spend

The amount spent in excess of the threshold stipulated under the Act may be set off against the requirement to spend as stipulated under the Act up to immediate succeeding three years subject to the conditions that:-

(i) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance to the rule in this regard; and.

(ii) The Board of the company shall pass a resolution to that effect.

• Unspent CSR money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors report for that particular Financial Year or shall take necessary actions according to the directions that may be prescribed / stipulated in the Companies Act, 2013.

The CSR amount remaining unspent as at the end of the financial year shall be transferred by the Company in the following manner:

- For Projects other than Ongoing project:-

To a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

- For Ongoing project:-

To an Unspent Corporate Social Responsibility account within thirty days from the end of the financial year, to be opened by the company in that behalf for that financial year in any scheduled bank, and such amount shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

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Any surplus arising out of the CSR initiatives shall not form part of the business profits of the Company and shall be utilised as prescribed under the Companies Act, 2013.

MONITORING AND REPORTING MECHANISM:

The monitoring and reporting mechanism of the CSR activities should be as per the Annual Action Plan approved by the Board

The CSR activities undertaken during a financial year shall be reported every year in the Board's report of the Company.

The Chief Financial Officer or person responsible for financial management of the company must certify to the Board on an annual basis that the funds disbursed by the company towards CSR activities have been utilised towards the same effect.

CSR INITIATIVES

In line with Schedule VII of the Companies Act, 2013 and the CSR Rules, 2014 and duly amended from time to time the Company shall undertake CSR activities included in its annual action Plan, as recommended by the CSR Committee and approved by the Board.

AMENDMENTS TO THIS POLICY

The Board of Directors on its own and / or as per the recommendations of the CSR Committee can amend this Policy, as and when deemed fit. Any or all the provisions of this CSR Policy will be subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments made thereto. In case of any conflict with the Policy and the Act/ CSR Rules, then the Act/ CSR Rules shall be followed.

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ANNEXURE 1

LIST OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Schedule VII of the Companies Act, 2013 including all the amendments made and notified by the Central Government from time to time)

CSR Activities relating to:-

- (i) 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;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (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;
- (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;
- (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 art and handicrafts;
- (vi) 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;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) contribution to the prime minister's national relief fund 8[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;
- (ix) (a) 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

(b) 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 Defence 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)".

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(x) Rural development projects;

(xi) Slum area development.

Explanation.- For the purposes of this item, 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.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities