



PARAMOUNT SYNTEX LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY



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CORPORATE SOCIAL RESPONSIBILITY POLICY

(CSR) POLICY

Purpose

This policy sets out the Company's commitment & approach towards Corporate Social Responsibility based on our legacy of 'Giving Back to Society'. The Company is committed to improving the quality of life of the communities we serve through the CSR theme of 'Building Sustainable Livelihoods'. The Company endeavors to facilitate livelihood opportunities & socio- cultural development in areas of its operations.

The Company intends to be a significant contributor to CSR initiatives by devising and implementing social improvement projects for the benefit of underprivileged communities, towns and villages.

Focus Areas

In accordance with the requirements of the Companies Act, 2013 ("the Act"), the Company's CSR programs shall mainly focus on the following areas:

- Vocational skill development programs
- Partnerships to preserve & promote indigenous heritage, culture, arts and handicrafts
- Disaster relief and rehabilitation programs
- Income-generation and livelihood enhancement programs

However, the Company may choose to undertake additional CSR Activities falling within the purview of Schedule VII of the Act, as may be amended from time to time, based on the recommendations of the CSR Committee and as may be approved by the Board of Directors.

Responsibility of the Board of Directors

The Board shall be responsible for —

- Approving the CSR policy of the Company as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- Ensuring that in each financial year the Company spends such amounts for CSR activities as may be stipulated in the Act, as amended from time to time. (presently 2% of the average net profits of the Company made during the three immediate preceding financial years)



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- Ensuring that the activities as are included in the CSR Policy are undertaken by the Company itself or through the entities recognized for CSR implementation under the Companies (Corporate Social Responsibility Policy) Rules (“CSR Rules”) as amended from time to time.
- Satisfying itself that the funds so disbursed have been utilized for the purposes and in the manner intended.
- Monitoring the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and making modifications, if any, for smooth implementation of the projects within the overall permissible time period.
- Approving an Annual Action Plan as may be recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit, based on the reasonable justification to that effect.
- Ensuring that the administrative overheads do not exceed five percent of total CSR expenditure of the Company for the financial year.
- Approving, by means of a resolution, the carry forward of excess amounts spent towards CSR during a particular financial year against the CSR obligations of the Company for up to three immediately succeeding financial years
- Reviewing the Impact Assessment Reports to be annexed to the Company's annual report on CSR activities.
- Displaying the composition of the CSR Committee, CSR Policy and CSR Projects approved by it on the Company's website.

CSR Committee

- The CSR Committee shall comprise three or more directors of which, at least one will be an independent director.
- The CSR Committee of the Company shall be responsible for:
 - Formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act and the CSR Rules, as amended from time to time.
 - Recommending to the Board the CSR expenditure to be incurred.
 - Monitor the implementation of the CSR Policy from time to time
 - Formulating and recommending to the Board, an Annual Action Plan in pursuance of its CSR Policy.

ROLE AND RESPONSIBILITIES OF COMMITTEE

The Committee shall:

- Decide the CSR activities to be taken up by the Company in accordance with this Policy;
- Decide the amount to be allocated for each project or activity;
- Oversee and monitor the progress of the initiatives rolled out under this Policy; and
- Submit a report to the Board of Directors on all CSR activities undertaken during the



financial year which shall duly be displayed on the Company's website at: www.paramountsyntex.com

- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - ✚ the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ✚ the manner of execution of such projects or programmes as specified in CSR Rules;
 - ✚ the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - ✚ monitoring and reporting mechanism for the projects or programmes; and
 - ✚ Details of need and impact assessment, if any, for the projects undertaken by the company.

CSR EXPENDITURE

The Board shall ensure that the Company spends the following amounts for CSR activities in pursuance of this Policy, and complies with the following conditions as set out under the Act and the Rules:

1. In every financial year, at least 2 (two) per cent of the "average Net Profits" of the Company made during the 3 (three) immediately preceding financial years. The "average Net Profits" shall be calculated in accordance with the provisions of Section 198 of the Act and the rules framed there under from time to time.
2. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
3. Any surplus arising out of the CSR activity will not be part of the business profits of the Company and shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account in accordance with section 135 of the Act, and spent in pursuance of this Policy and annual action plan of the Company; or the Company shall transfer such surplus amount to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
4. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.



- The Board of the Company shall pass a resolution to that effect.

5. The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

6. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by

- ✓ a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number in accordance with the Rules; or
- ✓ Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- ✓ A Public Authority.

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirements set out above, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

7. If a Company undertaking impact assessment in accordance with act and rules may book the expenditure towards CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs. 50 lakh, whichever is less.

Annual Action Plan

An Annual Action plan would be formulated basis the available CSR budgets and shall include the list of CSR projects or programs which company plans to undertake during the financial year, further specifying modalities of execution of such project or programs, their implementation schedules, monitoring and reporting mechanism for such projects and need of impact assessment, if any for the said projects.

Impact Assessment

The Company shall undertake Impact Assessment through an independent agency, of its CSR projects, as and when applicable, in pursuance of sub-rule (3) of rule 8 of the CSR Rules, as amended from time to time

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR



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Guiding Principles for selection, implementation and monitoring of CSR activities

The Company's CSR Activities shall mainly focus on the following areas:

The Company shall undertake CSR Projects / Programs that are aligned with areas listed in Schedule VII of the Act, within the geographical limits of India, for the benefit of marginalized, disadvantaged and underserved sections of the community and the environment.

Target Communities

The Company's target communities shall include rural, less-privileged, school dropout, differently abled, marginalized youth and women; indigenous artisans, disaster victims and other such groups associated with our focus areas.

The detailed list of CSR Projects should be within the scope of the following activities:

- i. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- ii. 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
- iii. 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;
- iv. Measures for the benefit of armed forces veterans, war widows and their dependents;
- v. Contribution to the 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- vi. Rural development projects;
- vii. Slum area development
- viii. Eradicating hunger, poverty and malnutrition, promoting health care, including preventive health care and sanitation



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ix. Such other activities as may be specified under the Act or CSR Rules from time to time.

Implementation & Monitoring Structure

CSR Programs of the Company shall be undertaken as follows:

- HR department helps initiate projects and provides support & monitoring.
- CSR committee at Board level provides broad direction for CSR planning and conducts biennial reviews to ensure desired impact.

Project Monitoring:

- The Project Monitoring team will ensure that the CSR Policy is implemented as per the Act and the Rules ensuring that all projects as budgeted are duly carried out.
All CSR spends will be closely monitored and audited in an accountable and transparent manner
- Project monitoring shall include periodic field visits, comprehensive documentation, and if required interaction with beneficiary communities.
- The CSR Committee shall periodically review the CSR project reports and the same shall be annually presented to the Board.

Interpretation

In any circumstances, where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the CSR provisions applicable to the Company, the law, rule, regulation or standard will take precedence over this policy until such time as this policy is changed to conform to the law, rule, regulation or standard.



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CSR ACTIVITIES / PROGRAMMES / PROJECTS

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 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;



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(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 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).

(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.



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Effective Date: 23rd October, 2024

Date of Approval by Board of Directors: 23rd October, 2024



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