

## THE PEERLESS GENERAL FINANCE & INVESTMENT CO LTD

### CORPORATE SOCIAL RESPONSIBILITY POLICY

#### Peerless' Corporate Social Responsibility Philosophy

Peerless, in its 80 long years of glorious existence, has been committed to the philosophy of 'Bahujana Hitaya, Bahujana Sukhayacha' (*'Welfare for Many and Happiness for Many'*). As a natural consequence, the best interests of all our stakeholders and compassion for the community at large, particularly the underprivileged segment, are the cornerstones of Peerless' Corporate Social Responsibility ("CSR") Policy. Peerless have always cared for the deprived segments of our society and extended generous help towards their upliftment.

#### Management's vision

The Board of Directors and the Management of the Peerless Group are committed to assisting the underprivileged and needy sections of society and to help building a sustainable way of living for them.

#### Areas covering Peerless' CSR Initiatives

Based on Peerless' philosophy and past practices, the following areas shall be covered under the Company's CSR Policy in accordance with Schedule VII of the Companies Act, 2013. As has been clarified in the General Circular No.21/2014 dated 18th June, 2014 issued by Govt. of India, the entries in Schedule VII will be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule.

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, the 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.
- 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 arts and handicrafts.
- vi) Measures for the benefit of armed forces veterans, war widows and their dependents.
- vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- viii) 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.
- ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x) Rural development projects.
- xi) Slum area development.

### **Sanctioning Process**

The Company shall prepare an Action Plan in the beginning of every Financial Year containing the amount it is required to spend in that Financial Year as well as the tentative allocation of funds for the Financial Year under different heads of activities, as per the CSR Policy of the Company and the relevant provisions of the Companies Act, 2013.

The Action Plan shall be placed before the CSR Committee and the Board of Directors of the Company for approval.

The proposals for funding of projects not exceeding an amount of Rs. 5 lakhs, for each such project during a Financial Year, shall be placed before the Managing Director for sanction after ascertaining that such projects qualify under the requirements of the Companies Act, 2013 particularly the Schedule VII of the Act, the CSR Policy of the Company and covered by the allocation of fund in the Action Plan for the year. The proposals for funding of projects exceeding the amount of Rs. 5 lakhs for each project during a year shall be placed to the CSR Committee for approval. All such sanctions shall be duly reported to the CSR Committee and the Board periodically.

### **Implementation Process**

CSR activities would be implemented by Peerless by direct funding, through registered Trusts/Organizations, agency – either Government or Private, or in such other manner as it may deem appropriate, expedient and beneficial.

All CSR projects, programmes, activities or expenditure will always be undertaken by the Company in India.

Peerless may also utilize the services of B K Roy Foundation along with other NGOs/ organizations for identifying, implementing and monitoring of projects, as and when required.

The Company may also coordinate with the other Group Companies/ Associate Companies so as to take a joint approach in CSR activities. However, in all such cases it has to be ensured that each such joint projects/ modules of projects may be specifically identified for each such Group Companies/ Associate Companies.

### **Disbursement Process**

The Company shall disburse amounts not exceeding 25% of the amount sanctioned for a project on receipt of complete information, as required by the CSR team. The CFO of the Company shall advise the Accounts Dept. when such advance payment shall be made. However, in exceptional cases, where required, on the recommendation of the CFO, the Managing Director may sanction disbursement of the entire sanctioned amount.

All subsequent disbursements shall be in stages depending on the progress of implementation after the CSR team is satisfied about the progress of implementation based on documentary evidences and, if considered necessary by them, after physical inspection. All disbursements by the Accounts Dept. shall be only after the CFO advises the Dept. about the amount and timing of such disbursements. Under exceptional circumstances, the Managing Director may authorize release of funds not exceeding 10% of the sanctioned amount pending such verification of progress of implementation/ receipt of documents.

### **Monitoring Process:**

The Monitoring process of CSR activities will be determined by the CSR Committee on a case-to-case basis depending upon the nature of the CSR activity and the manner of implementation. Wherever any CSR activity is implemented through an approved implementation agency, suitable certificates from such agency shall be obtained on utilization of the funds provided by the Company and reports on the status of implementation and/or completion of the project, as the case may be, will be obtained by the Company.

Progress of identified CSR projects would be monitored by the CSR Committee quarterly.

The CSR team shall identify projects, submit proposal for sanction after ascertaining eligibility, monitor the progress of implementation and oversee the release of funds from time to time.

For the purpose of verification of progress of implementation, particularly physical inspection at the site, the CSR team may use the services of the local Audit Firms and also, as and when considered appropriate by them, may take the assistance of the employees of the Company, Group/ Associate Companies based at locations near the project site when the cost of the sanctioned project does not exceed Rs. 5 lakhs in a year. In all other cases, the CSR team itself has to carry out the verification and inspection.

The CSR team shall also ensure that it receives a report on the progress of implementation of each of the projects and actual end-use of funds once a quarter.

The expenditure actually incurred for salaries, traveling, boarding and lodging and overheads of the CSR team upto an amount not exceeding 5% (or such other amount as may be approved under the Act from time to time) shall be included in the CSR expenditure.

**Surplus arising out of CSR Activities**

In the event of any surplus that may arise out of the CSR projects or programmes or activities funded or implemented by the Company, such surplus shall not form part of the business profit of the Company.