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POLICY FOR CORPORATE SOCIAL RESPONSIBILITY

A. BACKGROUND

The Board of Directors (the "Board") of the Company, has adopted this policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

This Policy has been approved by the Board of Directors at their meeting held on June 18, 2021. Effective from April 1, 2021 this policy supersedes the earlier Policy for Corporate Social Responsibility (CSR) of the Company.

B. PURPOSE

The objective and purpose of this Policy is to provide the framework for selection, implementation, governance, management and monitoring of CSR initiatives and formulation of the annual action plan.

C. DEFINITION AND INTERPRETATION

I. Definitions

1. "**Act**" shall mean Companies Act, 2013 and includes any amendments thereof.
2. "**Board**" or "**Board of Directors**" means the Board of Directors of the Company.
3. "**CSR Activities**" means such programs and projects as may be approved by the Board in terms of this **CSR Policy**.
4. "**CSR Committee**" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
5. "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
6. "**Director(s)**" means a member of the Board of the Company.

All Capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and CSR Rules as amended from time to time.

II. Interpretation

1. Words using the singular or plural number also include the plural or singular number, respectively.
2. Words of any gender used in this Policy shall be deemed to include other gender.
3. Reference to the word "include" shall be construed without limitation.

D. CSR COMMITTEE

1. The CSR Committee shall consist of minimum 3 Directors of the Company. The number of Members of the CSR Committee, their powers and functions shall be specified, varied, altered or modified from time to time by the Board in accordance with the provisions of applicable laws.
2. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:
 - (i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as per the provisions of applicable laws.
 - (ii) Recommend the amount of expenditure to be incurred on the activities referred to in above clause.
 - (iii) Monitor the CSR Policy of the Company from time to time.
 - (iv) Formulate and recommend to the Board an annual action plan in pursuance of the CSR policy which shall inter alia include the following:
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - (b) the manner of execution of such projects or programmes.
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company.
3. The CSR Committee shall hold meetings which shall be attended by minimum quorum as may be specified in the applicable laws.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on reasonable justification to that effect.

4. All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/interpretation shall rest with the Board.

E. IMPLEMENTATION OF THE CSR POLICY

The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules.

(a) Mode of Implementation:

The CSR Activities may be undertaken by:

- (i) the Company directly or
through any of the following entities duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1st April 2021):
 - (ii) A Company established under section 8 of the Act or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - (iii) A Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or
 - (iv) Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature or
 - (v) A Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- (b) The Company shall conduct due diligence prior to selection of any entity listed above to inter alia verify the credentials and ensure that such entities are eligible and capable of implementing the CSR Activities.
- (c) The Company may also collaborate with other companies for undertaking CSR Activities or projects provided that the CSR committees of respective companies are able to report separately on such activities or projects in accordance with the CSR Rules.
- (d) The Board shall empower the CSR Committee Members or such persons as it may be deem fit to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and to accept modifications, changes and amendments to any such documents/ agreements and do all such other acts and deeds as may be necessary.

F. CSR EXPENDITURE

1. The Company shall spend such amounts every year as recommended by the CSR Committee and approved by the Board provided that such amounts shall not less than 2% of average Net Profits of the Company made during the 3 immediately preceding financial years calculated in accordance with the Act or such other amounts as may be specified by applicable laws and rules as amended from time to time.
2. In cases, where any CSR Activity is undertaken by the Company on account of any unforeseen circumstances, the CSR Committee/Board may ratify/revise/terminate the transactions in accordance with this Policy.
3. The Board shall be responsible for sanctioning the CSR expenditure and for taking steps to ensure that the amount for the CSR Expenditure is made available for application towards the CSR Activities.
4. The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfilment of conditions as specified in the CSR Rules.
5. The Board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year or such other amounts as may be specified by applicable laws and rules as amended from time to time.
6. Any surplus arising out of the CSR activities 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 and spent in pursuance of the CSR policy and annual action plan of the Company or shall be transferred to a fund specified in Schedule VII of the Act, within a period of 6 months of the expiry of the financial year.
7. In case the Company spends an amount more than the statutory CSR obligations in a financial year, then such excess amount may be set off against the requirement of the CSR spending under sub-section (5) of section 135 upto immediate succeeding 3 financial years subject to the fulfilment of conditions as specified under the CSR Rules.
8. In case the Company fails to spend in a financial year the minimum amount on CSR Activities viz., 2% of average Net Profits of the Company made during the 3 immediately preceding financial years, the Board shall in its report specify the reasons for not spending the amount. The unspent amounts, other than unspent amount relating to ongoing project shall be transferred to the fund specified in Schedule VII of the Act, within a period of 6 months of the expiry of the financial year.
9. Any unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the Company in any scheduled bank called the "Unspent Corporate Social Responsibility Account." Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a fund specified in Schedule VII of the Act, within a period of 30 days from the date of completion of the 3rd financial year.

10. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

- (i) Activities undertaken in pursuance of normal course of business of the company.
- (ii) Activities undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- (iii) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
- (iv) Activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019).
- (v) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
- (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

G. CSR ACTIVITIES

1. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation including contribution to the Swatch 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 arts and handicrafts.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents.

- (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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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 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 purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force.
 - (xii) Disaster management including relief, rehabilitation and reconstruction activities; and
 - (xiii) Any other project as may be specified under Schedule VII of the Act, from time to time.
2. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR Activities.
 3. In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
 4. Designated staff or personnel shall be provided for data collection, survey and implementation of CSR Activities. The CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.

5. Based on the scope of activities set out above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
6. Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

H. MONITORING PROCESS

1. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported to the Board on a quarterly basis in such manner as the CSR Committee may direct.
2. In the event any of the CSR Activities are undertaken through third party / Implementing Agency, the relevant information shall be obtained from the third party / Implementing Agency and progress on such CSR Activity must be submitted to the Board on a quarterly basis in such manner as the CSR Committee may direct.
3. The Board of a company shall satisfy itself that the funds disbursed for CSR Activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company or the person responsible for financial management shall certify to the effect.
4. Wherever the company undertakes the CSR activity through a third party / Implementing Agency, it shall obtain an Independent Practitioner's Report on utilisation of such CSR Funds from the auditor / CA in practice of the third party / Implementing Agency to whom the funds are given by the Company for implementing CSR activity.
5. For the purposes of monitoring visits may be made to the third party / Implementation Agency site to review CSR project and carry out inspections as recommended by the CSR Committee from time to time.

I. REPORTING AND RECORD KEEPING

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. In respect of the reporting, the Board will be responsible to ensure that:
 - i. The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and CSR Rules.
 - ii. The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board are also made available on the website of the Company.
 - iii. In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

J. AMENDMENT

The CSR Committee shall review and may amend this policy from time to time subject to the approval of the Board of Directors.

Any or all provisions of this policy would be subject to revision / amendment in accordance with the Act and CSR Rules on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment (s), clarification (s) circular(s) etc issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment (s), clarification (s) circular (s) etc. shall prevail upon the provision hereunder and this policy shall stand amended accordingly.

In the event of any conflict between the provisions of this policy and of the applicable law dealing with the CSR Activities, such applicable law in force from time to time shall prevail over this policy.
