



PARIN ENTERPRISES LIMITED

(Formerly known as Parin Furniture Limited)

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction:

The new Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of Corporate Social Responsibility ("CSR") to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2. Objective & scope:

The main objective of the CSR Policy is to lay down guidelines for **Parin Enterprises Limited** (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas and to make a positive contribution to society through high impact, sustainable programs.

This Policy covers proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out at the various work-centres and locations of the Company, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

3. Definitions:

In this Policy unless the context otherwise requires:

3.1 'Act' means Companies Act, 2013, including any modifications, amendments or Re-enactment thereof.

3.2 'Corporate Social Responsibility' "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-



(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(ii) any activity 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;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

3.3 'Net profit' means net profit as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 as set out below:

Net profit as per financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely:-

- I. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
- II. Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.

3.4 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;

3.5 Words and expressions used in this CSR Policy and not defined herein but defined in The Act shall have the meaning respectively assigned to them in the Act.

4. CSR Activities:

The policy recognises that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:



4.1 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;

4.2 Promoting education, Including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects;

4.3 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;

4.4 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);

4.5 Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts:

4.6 Measures for the benefit of armed forces veterans, war widows and their dependents;

4.7 Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

4.8 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 Schedule Castes, the scheduled tribes, other backward classes, minorities and women;

4.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

4.10 Rural development projects;

4.11 Slum area development.

5. Contribution for CSR Activities:

5.1 The Board of the Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of the Policy;



5.2 If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount 8[and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year].

Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility 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.

5.3 The surplus arising out of the CSR projects or programs or activities shall not form Part of the business profit of a company and shall be carried forward for spending in the next financial year;

5.4 The contribution in CSR Activities shall only be made in India;

Explanation: if any contribution in CSR Activities is made outside India, the same shall not be considered in calculation of two percent limit as specified in clause (5.1) above;

5.5 The Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked CSR activities.

6. CSR Committee:

6.1 Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of atleast three or more Directors with atleast one independent director

The Committee members shall be appointed by resolution of the Board. Each member shall continue as a member unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board.

The Board, or in the event of its failure to do so, the Committee, shall appoint Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.



The Secretary to the Board shall serve as Secretary to the Committee.

Following is the Composition of CSR Committee:

1. Ms. Shweta C Kathrani - Chairperson
2. Mr. Parin U Nandani - Member
3. Mr. Deven D Nandani - Member

6.2 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet atleast once in a Year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings.

Quorum for the meeting should be two. 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. Minutes of the CSR Committee shall be placed before the Board for noting.

6.3 Powers of the Committee

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

(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 as specified in sub-rule (1) of rule 4;

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(d) approve to undertake CSR activities in collaboration with Group companies/ other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules.

(e) monitoring and reporting mechanism for the projects or programmes; and

(f) details of need and impact assessment, if any, for the projects undertaken by the company:

(g) To do such other acts, deeds and things as may be required to comply with the applicable laws and to perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.”



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

7. CSR Expenditure. -

(1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

(2) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

(3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial 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 of sub-rule (2) of this rule.

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

(4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

Provided that any capital asset created by a 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 requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.]

8 CSR Implementation

(1) The Board shall ensure that the CSR activities are undertaken by the company itself or through, –



(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or

(b) 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

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

(2) (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.

(b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.

(c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.

(3) A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

(4) A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

(5) The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

(6) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.]



8. Monitoring and Reporting

8.1 The CSR Committee shall monitor and review the progress of activities undertaken/ completed;

8.2 The Committee shall meet periodically;

8.3 The Board of Directors of the Company should periodically review the Implementation of the Policy and CSR Activities;

8.4 The Board Report shall contain a section of Annual Report on CSR as per the format prescribed under the Rules.

9. Disqualifying Activities for CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company only for benefit of the employees of the Company and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

Other contributions/ expenses not recognized under the Act/ Rules as amended or modified, from time to time.

10. Reporting

The Company reports its CSR performance along with its annual performance as a combined report. The Board Report shall contain a section of Annual Report on CSR as per the format prescribed under the Rules.

A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 2[two per cent] of the total CSR expenditure for that financial year or fifty lakh rupees, 3[whichever is higher.]

11. CSR Budget and Utilization

CSR Committee will recommend the annual budgeted expenditure for each project to its consideration and approval and shall be utilized on approved projects in accordance with CSR policy.

12. Amendments to the Policy

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.