# PAPADMALJI AGRO FOODS LIMITED
## *CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY*

| Version | Summary of Changes | Board Approval | Date of Release |
|---|---|---|---|
| Version 1 | Initial | 15.10.2025 | 15.10.2025 |

## 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.

Papadmalji Agro Foods Limited ("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:

- Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens.
- Promoting health care including preventinve health care and sanitation.
- 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 immediately preceding financial years)

- 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 upto 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.

**CSR Budget**

The amounts to be spent by the Company shall be as stipulated under the Act, as amended from time to time (presently 2% of the average net profits of the Company for the preceding three financial years) and as approved by the Board. Any surplus arising out of the CSR projects or programs or

activities shall not form part of business profits of the Company.

## 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.

Guiding Principles for selection, implementation and monitoring of CSR activities

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

- Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens.
- Promoting health care including preventinve health care and sanitation.
- Disaster relief and rehabilitation programs.
- Income-generation and livelihood enhancement programs.

## 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.

### 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.

**Disclaimer**

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.