



Piramal Enterprises Limited
Corporate Social Responsibility Policy

Original Effective Date: May 05, 2014

[Last Updated: April 2, 2018]

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1. Statement of Intent

India faces enormous challenges in provision of basic public services to large parts of the population, both in rural and urban centers. The Government has, over the years, made strides in bridging gaps in supply of public services through large interventions and programmes with a national footprint. Most of these programmes have received strong budgetary support to expand their reach. However, a lot of ground is to be covered in improving the quality of these services, albeit at a reasonable cost.

The country currently benefits from a demographic dividend – the large percentage of young and income generating population is India's strength. There is, at the same time, a strong need to ensure that the youth are offered opportunities – to enhance their skills that can help the country maximize economic opportunities and to develop skills, empathy and ethical standards that would aid the process of nation building.

There is also a growing realization that complex and seemingly insurmountable social problems cannot be solved by individual organizations or a single stakeholder group. It requires different parts of the ecosystem such as funders, government, non-profits, corporates and media to work collaboratively to create long-term social change.

In doing so, Piramal Enterprises Limited (PEL or Company) believes that:

- It can play a meaningful role in bringing professionalism, leadership and discipline to projects in pursuit of Corporate Social Responsibility (CSR)
- Innovation can play a crucial role in developing 'out of the box' solutions to seemingly intractable problems
- It is crucial that any solution backed by the Company has the potential to achieve scale and be replicable across large geographies of India. In doing so, the Company will actively seek partnerships, with government and private entities, in an open source relationship that seek to maximize the impact of its solutions

The CSR policy of the Company will be guided by the core values of the Group:

Knowledge

- **Expertise:** We strive for a deeper understanding of our domain
- **Innovation:** We aspire to do things creatively

Action

- **Entrepreneurship:** We are empowered to act decisively and create value
- **Integrity:** We are consistent in our thought, speech and action

Care

- **Trusteeship:** We protect and enhance the interests of our customers, community, employees, partners and shareholders
- **Humility:** We aspire to be the best, yet strive to be humble

Impact

- **Performance:** We strive to achieve market leadership in scale and profitability, wherever we compete.
- **Resilience:** We aspire to build businesses that anticipate, adapt and endure for generations.

CSR has recently become mandatory under the Companies Act, 2013. However, the Company has been pursuing CSR initiatives even before it was mandated by law.

2. CSR Activities

Areas of interest for Corporate Social Responsibility

The Company has chosen the following areas for its CSR projects, which may be by way of direct participation or by way of providing donations or financial assistance. These are:

1. Promoting preventive healthcare
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects
3. Promoting gender equality and empowering women
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
5. Contribution to PM National Relief Fund or any fund set up by Central Government for socio-economic development and relief and welfare of Scheduled Castes, Scheduled Tribes and other backward classes, minorities and women
6. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
7. Rural development projects
8. Providing donations or contributions or financial assistance to other CSR entities or to any Fund as may be permitted under the Companies Act, 2013 for the purpose of CSR.

These focus areas may be reviewed by the CSR Committee from time to time and maybe modified to also include such other CSR initiatives which are covered under Schedule VII of the Companies Act, 2013 (as amended from time to time), as may be recommended by the CSR Committee. The CSR Committee is also authorized to recommend changes in the policy, in line with the emerging societal circumstances and in consideration of changing national priorities of the government.

3. Corporate Social Responsibility Committee

Composition of CSR Committee

The Board has established a Committee of the Board as the Corporate Social Responsibility Committee. The Committee comprises three directors of the Board and its composition more than adequately meets the requirements of Companies Act, 2013.

The Committee will meet as frequently as desired, to review policies, discuss the strategy, review project progress and set the direction for the future.

Terms of reference

The terms of reference of the CSR Committee are as follows:

1. Recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall indicate the CSR initiatives to be undertaken by the Company
2. Approve specific projects, either new or ongoing, in pursuance of the Areas of Interest outlined in this policy, either for undertaking such projects by the Company itself, directly or through its subsidiaries, or for supporting such projects by way of donations, contributions or financial assistance
3. Recommend the amount of expenditure to be incurred on the CSR activities
4. Review the progress of CSR initiatives undertaken by the Company.
5. Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects referred to above.
6. Undertake such activities and carry out such functions as may be provided under section 135 of the Companies Act 2013 and the Rules prescribed thereunder

4. Implementation

The CSR initiatives of the Company are either undertaken as projects or programmes or activities, whether new or ongoing, in line with the CSR Policy, or by way of providing donations, contributions or financial assistance to such projects or to other CSR companies or entities undertaking such projects, as may be permitted under the Companies Act, 2013 and applicable Rules prescribed thereunder.

Where the Company undertakes CSR Activities through an entity which is not covered under Rule 4(2)(a) and (b) of the Corporate Social Responsibility Rules 2014 prescribed by the Central Government (as amended), such entity is required to have an established track record of three years in undertaking similar programmes or projects. In such cases, the projects to be undertaken through these entities, the modalities for utilization of funds on such projects and the monitoring

and reporting mechanism would be specified by the CSR Committee while recommending the annual CSR plans for approval by the Board.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committee of such companies are in a position to report on such projects or programmes separately in accordance with the rules laid down under the Companies Act, 2013.

The CSR Activities specified under this Policy would be undertaken only in India.

5. Financing of projects

The Board shall ensure that the amount invested in CSR in every year is, at least, two percent of the average net profits of the Company made during the three immediately preceding financial years. The amount of net profit will be calculated in accordance with the CSR Rules prescribed under the Companies Act, 2013, as amended from time to time.

Where the Board is unable to spend two percent of net profits referred to above, it shall provide reasons for being unable to do so, in the Board's Report to shareholders for that financial year, in accordance with the applicable provisions of the Companies Act, 2013 (as amended from time to time).

The expenditure on CSR eligible for the purposes of this policy shall include all expenditure on projects or programmes or activities as well as donations, contributions and costs of financial assistance to CSR companies / entities, approved by the Board on the recommendation of the CSR Committee. Any contribution to the corpus of these implementing agencies for implementation of the projects or programmes or activities will also qualify as CSR expenditure.

Any surplus arising out of the implementation of projects or programmes or activities shall not form part of the business profit of the Company. Such surplus shall be retained in the same project or programme.

The Company may also collaborate with other companies and foundations for undertaking projects or programmes or CSR activities on a joint basis. In such an event, the Company may accept funding support from other partners for the joint implementation.

6. Review and Monitoring

There shall be a regular monitoring and reporting of progress from the senior management team or from the teams of the CSR companies responsible for implementing these projects either undertaken by the Company or for which the Company provides donations or contributions or financial assistance.

The Company will report on the implementation of its CSR Policy every year, as may be prescribed under the CSR Rules.

7. Collaboration

The Company believes that complex and seemingly insurmountable social problems cannot be solved by individual organizations or a single stakeholder group. It requires different parts of the ecosystem such as funders, government, non-profits, corporates and media to work collaboratively to create long-term social change.

Towards enabling this vision, the Company will actively seek or assist in forming partnerships with national / state governments in a public private partnership to leverage national programmes. These partnerships will seek to expand the impact of our interventions across wider geographies in India.

The Company shall be open to partnerships with other foundations, multilateral and bilateral funding agencies for project implementation and with alliances set up for advocacy on issues related to public policy.

The Company shall also explore partnerships / alliances with academic institutions to spread awareness and further research in areas of public interest covered under this policy.
