

CSR POLICY

PREAMBLE:

With the notification of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The said Corporate Social Responsibility Committee shall formulate a policy on Corporate Social Responsibility Policy to the Board for adopting the same by the Board.

The Company, which is required to constitute a Corporate Social Responsibility Committee as state in Section 135 of the Companies Act, 2013 shall spend in every financial year atleast 2% of the average net profits of the Company made during three immediately preceding financial years. The amount of 2% as specified above shall be spend strictly as per the Corporate Social Responsibility Policy as approved by the Board in accordance with the recommendations received from the Corporate Social Responsibility Committee, duly constituted under Section 135 of the Companies Act, 2013.

PHILOSOPHY:

For Pennar Engineered Building Systems Limited (hereinafter referred to as "PEBS") Corporate Social Responsibility is not just a statutory requirement under the Companies Act, 2013 but Pennar recognises it as its responsibility towards the society as a good corporate house. Even before statutory requirement of Corporate Social Responsibility, PEBS has been forefront and activities in past.

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organisation should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of PEBS to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

PEBS endeavours to make CSR a key business process for sustainable development. Pennar is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in a more accountable manner that creates a sustained positive impact on society. Pennar is committed towards aligning with nature; and has adopted eco-friendly practices.

ACTIVITIES TO BE UNDERTAKEN BY PENNAR:

The Corporate Social Responsibility Committee, Constituted for this purpose under Section 135 of the Companies Act, 2013 shall do all such acts, deeds and things to achieve the following objectives:

- a) 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;
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;



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- c) 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;
- d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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;
- e) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- g) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- h) rural development projects;
- i) slum area development.

IMPLEMENTATION:

At the beginning of every financial year the Board shall calculate an amount, which shall not be less than 2% of the average net profits of the Company made during three immediately preceding financial years, which shall be specifically earmarked for the purpose of undertaking the Corporate Social Responsibility as enshrined in this Corporate Social Responsibility Policy.

The Investment in the Corporate Social Responsibility activity shall be project based or programs or activities (excluding activities undertaken in pursuance of PEBS normal course of business) as may be determined. The Committee shall have absolute right to abandon any project/program/activity at any time, if it feels the project has lost its purpose.

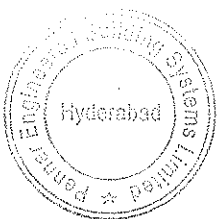
The Committee can undertake the Corporate Social Responsibility project/program or activity on its own, through registered trust, through registered society or through any other form/means as may be allowed under the applicable laws.

GOVERNANCE:

Every year, the Corporate Social Responsibility Committee will place for the Board's approval, a Corporate Social Responsibility Plan delineating the Corporate Social Responsibility Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the Corporate Social Responsibility Plan with any modification that may be deemed necessary. However the Board is empowered to make changes to such Corporate Social Responsibility Plan from time to time at the recommendation of the Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee will assign the task of implementation of the Corporate Social Responsibility Plan within specified budgets to such persons or bodies as it may deem fit.

The persons/bodies to which the implementation is assigned will carry out such Corporate Social Responsibility Programmes as determined by the Corporate Social Responsibility Committee within the specified budgets and report back to the Corporate Social Responsibility Committee on the progress thereon at such frequency as the Corporate Social Responsibility Committee may direct.





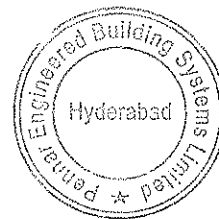
The Corporate Social Responsibility Committee shall review the implementation of the Corporate Social Responsibility Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the Corporate Social Responsibility Programmes in accordance with this Policy.

Once in every six months the Corporate Social Responsibility Committee will provide a status update to the Board on the progress of implementation of the approved Corporate Social Responsibility Programmes carried out during the six month period.

CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Corporate Social Responsibility expenditure will include all expenditure, direct and indirect, incurred by the Company on Corporate Social Responsibility Programmes undertaken in accordance with the approved Corporate Social Responsibility Plan. Moreover, any surplus arising from any Corporate Social Responsibility Programmes shall be used for Corporate Social Responsibility. Accordingly, any income arising from Corporate Social Responsibility Programmes will be netted off from the Corporate Social Responsibility expenditure and such net amount will be reported as Corporate Social Responsibility expenditure.

for Pennar Engineered Building Systems Limited



P V Rao
Managing Director