



Corporate Social Responsibility Policy

1. Introduction

Corporate Social Responsibility (CSR) at our Company goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

This Policy is in keeping with the requirements of the Companies Act 2013 (“the Act”) and Companies (Corporate Social Responsibility Policy) Rules 2014.

2. Vision and Policy Statement

Social and environmental responsibility has always been at the forefront of Panama Petrochem Limited operating philosophy and as a result the Company consistently contributes to socially responsible activities. As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain high standards of corporate behavior towards its employees, consumers and societies in which it operates.

We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders’ lives. Panama’s CSR policy, which encompasses the company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

3. Applicability

This CSR Policy has been formulated in consonance with Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) notified by the Ministry of Corporate Affairs, Government of India. This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII of the Act, for the time being in force.

4. Monitoring

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee of the Board which formulates and recommends to the Board the CSR policy and the annual action plan.

The CSR committee monitors the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of utilization of funds and implementation schedules along

with details of need and impact assessment for projects as required.

The funds to be disbursed shall be utilised for the purposes and in the manner as approved by the Board. The Chief Financial Officer or the person responsible for financial management shall issue a certificate to the Board every year certifying that the funds disbursed are utilised for the purpose and in the manner as approved by the Board.

The CSR Committee of the Company will receive and review all the CSR progress reports on an annual basis.

5. Implementation

The operational procedure is aligned to the requirements of Section 135 of the Companies Act 2013. Proposals for new CSR activities, as and when received, shall be evaluated in terms of appropriateness and alignment with the CSR policy.

Each of our CSR projects and programmes would have clearly defined output, outcome and process indicators which will have to be reported. All projects and programmes will be primarily monitored by the Company CSR team, based on these reports and regular field visits.

6. CSR expenditure, treatment of surplus and setting off of excess spent

The Company, in every financial year is required to spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Where the Company spends an amount in excess of the requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to certain conditions.

7. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of the CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.