

(Proposed Amendments pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2021 effective from 22nd January, 2021

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1. PREAMBLE

Pramerica Life Insurance Limited (“PLIL” or “the Company”) has always strived to contribute to the benefits of the society at large as a socially responsible Company.

The Corporate Social Responsibility (“CSR”) Policy (“Policy”) of the Company has been framed in line with the provisions of Section 135 of the Companies Act, 2013 (“Act”) read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time (“Rules”) and Corporate Governance Guidelines as amended from time to time. It provides guidance on the modalities pertaining to CSR spend (including but not limited to the quantum of CSR spending and the avenues wherein CSR spending is to be done), reporting mechanism and review structure of the Company.

The provisions of the Companies Act, 2013 and Rules made thereunder shall be taken for interpretation wherever it needed.

Further, the Policy lays down the guiding principles that shall be applicable to the CSR projects/programmes/ activities of the Company which is primarily aimed at supporting the Company’s consistent efforts to promote education for children, Medical support facilities, employment enhancing vocation skills.

Besides, the Board of Directors has approved this CSR Policy which has been formulated as per recommendation of the CSR Committee.

2. OBJECTIVE

- a) To lay down the broad guidelines for the Company to undertake its CSR projects/programmes/activities;
- b) To set up the approach of the Company towards the CSR initiatives;
- c) To define the selection of CSR activities that the Company undertakes to carry out;
- d) To fix the timelines, monitoring and implementation mechanism with respect to CSR activities; and
- e) To formulate and recommend to the Board of Directors an Annual Action plan, which shall include the following, namely:-
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of the CSR activities undertaken by the Company;
 - iii. the modalities of utilisation of funds and implementation schedules for the CSR activities undertaken by the Company;
 - iv. monitoring and reporting mechanism for CSR activities undertaken by the Company; and
 - v. details of need and impact assessment, if any, for the CSR activities undertaken by the Company

3. CSR COMMITTEE – CONSTITUTION AND ROLE

The Board of Directors has, in compliance with the requirement of the Act and the Rules, constituted a CSR Committee i.e. two Non - Executive Independent Directors, two Non - Executive Directors and one Executive Director, to oversee the governance and implementation of the Policy.

The Chairman of the Committee is a Non-Executive Director. The Board of Directors of the Company shall have the authority to reconstitute the CSR Committee and to revise/amend the terms of reference of the CSR Committee, as may be required.

1. Mr. Sunil Kumar Bansal - Non-Executive Director (Chairman)
2. Mr. James Wayne Weakley - Non-Executive Director
3. Mr. Kalpana Bharat Sampat - Managing Director & CEO
4. Mr. Nitin Gupta - Non-Executive Independent Director
5. Mr. Sunjoy Joshi - Non-Executive Independent Director

The CSR Committee shall meet at least once a year or such other intervals as it may deem fit, to review the implementation status of the Company's CSR initiatives.

The Company Secretary shall act as Secretary to the CSR Committee.

The responsibilities of the CSR Committee include:

- a) Formulation of a Corporate Social Responsibility Policy ("CSR Policy") which shall include the activities to be undertaken by the Company and recommend the same for the approval of the Board of Directors;
- b) Recommending the amount of expenditure to be incurred on the Annual Programs/Projects/Activities referred to in the CSR Policy;
- c) Overseeing the governance of a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company;
- d) Reporting to Board on annual basis to the effect that the implementation and monitoring of the CSR activities, is in compliance with the CSR objectives and CSR Policy of the Company; and
- e) Reviewing the CSR Policy of the Company from time to time and ensuring compliance with the requirements prescribed under the Act and Rules pertaining to CSR expenditure.

4. IDENTIFICATION AND UNDERTAKING OF CSR INITIATIVES

The management shall identify and propose the CSR projects/program/activities for the consideration of the CSR Committee. The CSR activities shall be undertaken in India and shall not include the following expenditure:

- (a) activities undertaken in pursuance of **normal course of business** of the company;
- (b) activities undertaken **outside India** except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (c) Contribution, direct or indirect, to a political party, under section 182 of the Act;
- (d) activities **benefitting employees** of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- (e) Sponsorship for **deriving marketing benefits** for products/services of the Company;
- (f) activities for **statutory obligations**.

- ~~a) Incurred in the normal course of business;~~
- ~~b) Incurred for the benefit of employees or their families; and~~
- ~~c) Contribution of any amount directly/ indirectly to any Political party/person.~~

The identification and finalization of projects/program/activities shall be in conformity with Schedule VII of the Act as amended from time to time.

The CSR Committee may recommend the Board of Directors of the Company for its approval suitable CSR projects/program/activities to be undertaken during for the financial year and amount to be incurred on such activities.

The Board shall give its approval based on the recommendation of the CSR Committee and in compliance of this Policy.

The Company may undertake CSR projects/programs/activities directly or through implementing Agency(ies)–

- a) a company established under section 8 of the Act, or
- b) a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- c) 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
- d) any entity established under an Act of Parliament or a State legislature; or
- e) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

These implementing Agency(ies) should be registered with the Ministry of Corporate Affairs(MCA) by filing from CSR 1 and should provide their Unique CSR Registration Number to the Company.

5. ALLOCATION OF CSR BUDGET AND TREATMENT OF SURPLUS

In terms of the requirements of the Act, the Company is required to allocate and spend in each financial year, at least 2% of its average net profits made during the immediately preceding 3 financial years for the CSR initiatives.

The Company will report in the Board Report the reasons for not spending the entire Budget outlay for CSR allocated in any Financial Year. The CSR Expenditure that remains unspent / unutilised for the particular year shall be carried forward to the next year as per the applicable rules under the Companies Act amended from time to time.

Further, any surplus arising out of CSR activities of the Company shall not form part of the business profit of the Company.

C. Annual Action Plan

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

- (a) The list of CSR projects or programmes that are approved to be undertaken in the area of Schedule VII;
- (b) Manner of the execution of such projects;
- (c) Modalities of utilization of funds and implementation of schedule for the projects;
- (d) Monitoring and reporting mechanism for the projects or programmes; and
- (e) Details of need and impact assessment, if any, for the project undertaken by the Company.

D. Treatment of surplus arising out of CSR activities

Any surplus arising out of the CSR activities shall not form part of the business profit of a company.

Such surplus: -

- (i.) shall be ploughed back into the same project or
- (ii.) shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or
- (iii.) transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

E. Set off and carry forward of excess CSR amount

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 rule 7(2) of the Rules.
- (ii.) the Board of the company shall pass a resolution to that effect.

F. Creation or acquisition of a capital asset

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

- (i.) 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
- (ii.) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (iii.) a public authority.

G. Transfer of unspent CSR amount. –

The unspent CSR amount, if any, shall be transferred by the Company to any fund in compliance with the Rules.

H. Administration Over Head:

The administration over head (being the expenses incurred by the Company for 'general management and administration' of CSR functions in the Company but not including the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or program), shall not exceed 5% of the total CSR Expenditure of the Company for the financial year.

6. CSR AT PLIL - THE APPROACH

The Company, as a part of CSR, has been providing infrastructure and other support to the schools for differently-abled children and Paraplegic Rehabilitation Centre a unit set up for rehabilitation of personnel of Armed Forces in India to enable them to be self-sufficient in life.

The Company would continue to support its above CSR initiatives and shall also explore, identify and undertake such other Projects/ Programs/ activities in accordance with Schedule VII of the Act.

7. MONITORING

All CSR projects/program/activities shall be closely monitored on a regular basis and the Report shall be submitted to CSR Committee at such interval as the CSR Committee may decide from time to time.

The CSR Committee shall apprise the Board of Directors annually on the status update on key CSR initiatives.

The Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Impact assessment required only if the company has average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years.

REPORTING

The Board's Report shall include an Annual Report on CSR activities in the format as prescribed under the Rules from time to time i.e. in the format as specified in Annexure I.

Further, the CSR Policy, Composition of the Committee and Projects approved will be published on the Company's website.

The Board of Directors of the Company shall mandatorily disclose the followings on its website (if any):

- (i.) Composition of CSR Committee
- (ii.) CSR Policy
- (iii.) Projects approved by the Board on their website.

10. In the said rules,-

(i) The Annexure shall be numbered as “Annexure –I” and in the heading of Annexure I as so numbered, after the words “BOARD’S REPORT”, the words and figures “FOR FINANCIAL YEAR COMMENCED PRIOR TO 1ST DAY OF APRIL, 2020” shall be inserted;

(ii) after Annexure –I as so numbered, the following Annexure shall be inserted, namely:-

“ANNEXURE -II
FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES
TO BE INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL
YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year,

if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	TOTAL											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	TOTAL								

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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