



# PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200  
Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR),  
Perungudi, Chennai - 600 096.  
Phone : 044 - 24961920, 24960156  
E-mail : admin@ponnisugars.com Website : www.ponnisugars.com



## CSR POLICY

[Effective Date: 06.02.2015 Last Amended Date:15.03.2024)

### 1. Preamble

Ponni Sugars (Erode) Limited is a public limited company and a listed entity committed to high degree of corporate governance. It has adopted policies on vision, mission and values in strong adherence to the core principles of corporate governance.

The company is engaged in sugar sector that is rural centric and agro based. It has transformed the lives of and been a value creator for thousands of farmers in its neighbourhood. It distributes more than three-fourth of its revenue within the neighbourhood towards cane purchase, harvest and transportation, direct and indirect labour and outsourcing of services. It thus vitalizes neighbourhood villages, creates rural wealth and contributes to inclusive growth.

### 2. CSR Mandate

- ❖ Section 135 of the Companies Act, 2013 (the Act) mandates CSR on specified companies. While the Company proactively adopted the CSR Policy in February 2015, CSR Mandate applies to the Company from the FY 2017-18.
- ❖ The Board first adopted the CSR Policy on 06-02-2015 that was later amended on 08-11-2019, 22-10-2021 and 15.03.2024
- ❖ The Company is committed to diligently comply with relevant provisions of the Act, the Rules made thereunder and Guidance given by Government on CSR.

### 3. Existing CSR Activities

The company has been actively engaged in certain of the CSR activities ever since its start when there was no statutory obligation. Its CSR activities currently encompass the following:

- Running a primary school to provide education to the children of local populace that is not restricted to only the company employees.
- Promoting gender equality by creating indirect employment opportunities to women labourers in sugarcane harvest operations.



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- Contribution to specific Funds of Prime Minister, Chief Minister and the like for providing relief and succor in the event of natural calamities or disasters.
- Donations to charitable or religious causes towards promoting education, health and social harmony.
- Disaster management, including relief, rehabilitation and reconstruction activities (with effect from 08.11.2019).

#### 4. CSR vision and Guiding Principles

- The Company's CSR vision is to work for the welfare and sustainable development of the community in and around its areas of operation, besides need based response to the requirements in other parts of the country.
- The company will observe in letter and spirit the cardinal principles and underlying objectives of the Government in prescribing CSR and for this purpose strive at all times to design CSR programmes within the broad scope of the activities listed under Schedule-VII to the Companies Act, 2013 as amended from time to time.
- The company shall endeavour to adopt best practices and integrate them into its CSR activities.

#### 5. Policy objective

The policy outlines the company's philosophy as a responsible corporate citizen of India. It lays down the guidelines and mechanism for undertaking CSR activities that aims at:

- Undertaking social projects in villages around the sugar mill site.
- Undertaking projects in the neighbourhood in the areas of healthcare, education, provision of protected drinking water, toilets, sanitary and vocational training.
- Awareness creation and promotion of 'Clean India' Mission.
- Strengthening rural infrastructure, improving road connectivity for better movement of men and material and arranging supply of energy.
- Enhancing employability of the youth by partnering with and supporting educational institutions involved in such activities.
- Improving irrigation infrastructure and promoting water conservation.



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- Provision of knowhow and support for improving soil health and promoting bio-cultivation and organic farming.
- Enhancing quality and productivity in farming and facilitating mechanization to overcome labour shortage.
- Conservation of natural resources
- Development & maintenance of Agroforestry
- Contribution to Central and State Projects and Funds meeting CSR criterion.
- Collaborating with and/or supplementing the schemes of district authorities, local panchayats and rural health centers in the areas of health, education and rural development.

## 6. Programme areas

The company will focus primarily on the following programmes to be conceived and implemented in its rural neighbourhood.

- Community development
- Healthcare, Sanitation and safe drinking water
- Education including skill development for empowerment of women & others
- Rural development and transformation
- Environment sustainability and climate change
- Conservation of natural resources
- Development & maintenance of Agroforestry
- Disaster management.

The company would preferably engage directly with the CSR activities. It may also consider implementing one or more CSR programmes through a registered trust, society or a company registered under Section 8 of the Companies Act, 2013 that conform to and meet with the eligibility criteria.



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## 7. CSR Budget

The CSR Budget and actual expenditure in a financial year shall be not less than the amount mandated under Section 135 of the Act read with Rules but it can be such higher amount as may be recommended by the CSR Committee and approved by the Board of Directors of the company.

## 8. CSR Committee:

- The Board of Directors of the Company shall from time to time constitute/reconstitute a CSR Committee consisting of such members as may be required under the Act. The CSR Committee shall meet at least once in a year to consider and recommend annual budget and review annual action plan and monitor the CSR projects/programmes. The Committee shall periodically review the Policy, discuss the budget and strategy, review project progress, issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy and also consider the future course of action.
- The CSR Committee shall also monitor and the Board shall ensure that the Company strictly adheres to the mandate of the Act and Rules in the matter of CSR spending, dealing with CSR surplus (that shall not form part of the business profit of the Company), transferring unspent amount to designated Bank account / Fund, carry forward of excess CSR spend for set-off in later years.

## 9. Implementation

- The company's ongoing CSR activities will be aligned to the CSR mandate of Companies Act 2013 as amended from time to time.
- All CSR projects will be implemented in a time bound manner with clear objective, plan, target, monitoring and evaluation mechanism.



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## Modes of implementation:

Sl. No	Program area	Mode of Implementation
1	Community development	To work directly for improving road connectivity, construct shelter in rural villages to accommodate migrant agricultural labour and partner with expert agencies and local administrators to achieve community development goals in local area.
2	Healthcare, Sanitation and safe drinking water	To work directly and/or partner with primary health centers, medical and health related organizations for projects in preventive health care, short term & long-term care and treatments and rainwater harvesting Arrangement.
3	Education including skill development for empowerment of women and others	To work directly for providing primary education for the children of rural area, vocational skill development programmes strengthening the infrastructure in government schools in local area
4	Rural development and transformation	To work directly or through local bodies/ village associations for supporting irrigation infrastructure in rural area and strengthening rural infrastructure
5	Environment sustainability and climate change	To work diligently for safeguarding the environment as well as promoting resource efficiencies across energy, water and waste management
6	Conservation of natural resources	To work for removing bushes, desilting ponds and tanks and improving water bodies.
7	Development & maintenance of Agroforestry	To plant trees, distribute seedlings and generally engage in developing agroforestry
8	Disaster Management	Contribution to the Funds prescribed under Schedule VII of the Act



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## 10. Project monitoring and reporting

- CSR Committee will review the CSR activities every year. The internal management will review the progress on a quarterly basis.
- The company will put in place appropriate accounting system to track project-wise CSR spend.

## 10. Disclosure

- The company will place the CSR policy on its official website. All changes in the CSR policy will be uploaded within 24 hours of the change.
- The company will disclose the contents of CSR policy in its report to shareholders. It will also specifically explain the reasons for not spending the minimum threshold amount in any financial year for any reason.

## 11. Review

The CSR Committee will review the policy from time to time as it considers necessary and suggest changes, if and when required. The Board in turn will consider same on the basis of recommendations so received.

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