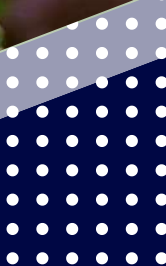


CORPORATE SOCIAL RESPONSIBILITY POLICY



**PARAMOUNT SPECIALITY
FORGINGS LIMITED**



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Corporate Social Responsibility Policy

1. Context

Paramount Speciality Forgings Limited (“Paramount Speciality Forgings” or “the Company”) has been an early adopter of corporate social responsibility (“CSR”) initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company established in the year 2023 aimed at providing a dedicated approach to community development and also to fulfill our CSR commitments. The Company through Implementing Agency works towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating destitute individuals and caring for animals, and preserving Indian art and culture. The Company’s focus has always been to contribute to the sustainable development of society and the environment, and to make our planet more liveable for future generations.

2. Objectives

Paramount Speciality Forgings’ CSR Policy intends to:

- Strive for economic development that positively impacts society at large with minimal resource footprint.
- Embrace responsibility for the Company’s actions and encourage a positive impact through its activities to alleviate hunger, poverty and malnutrition; to protect the environment; and to support communities, stakeholders and society.

3. Definitions

- i. **‘Act’** means the Companies Act, 2013.
- ii. **‘Board’** means the Board of Directors of the Company.
- iii. **‘Company’** means Paramount Speciality Forgings Limited.
- iv. **‘CSR Committee or Committee’** means the Corporate Social Responsibility Committee of the Board constituted pursuant to Section 135 of the Act.
- v. **‘CSR or Corporate Social Responsibility’** means and includes but is not limited to:
 - a. Projects or programs relating to activities specified in Schedule VII of the Act; or
 - b. Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this Policy.
- vi. **‘Net Profit’** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
 - a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise, and
 - b. any dividend received from other Companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- vii. **‘Rules’** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 or as may be amended from time to time.

Words and expressions used in this Policy and not defined herein but defined under the Act or Rules shall have the meanings respectively assigned to them therein.

4. Focus areas and Modes of Implementation

❖ Focus areas

In accordance with the requirements under the Companies Act, 2013 and the rules / regulations framed there under and circulars / clarifications issued thereunder (collectively, “**Applicable Law**”), Paramount Speciality Forgings CSR activities, amongst others, will focus on:

- **Hunger, Poverty, Malnutrition and Health:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.

- **Education:** Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies, this also includes skilling and re-skilling initiatives for those who are in need.
- **Rural Development Projects:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **Gender Equality and Empowerment of Women:** Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and other similar facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **Environmental Sustainability:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- **National Heritage, Art and Culture:** Protecting national heritage, art and culture, including the restoration of buildings, sites of historical importance, and works of art; setting up public libraries; reviving, promoting and developing traditional arts and handicrafts.

❖ Modes of implementation

Sr. No.	Focus area	Implementation strategy
1	Hunger, poverty, malnutrition and healthcare	Work directly or with non-profit organizations at infrastructure and/or operational level to support meal or nutrition related programs in schools and other institutions across India. Work with medical and health related organizations for projects in preventive healthcare, short term and long-term care and treatments.
2	Education	Partner directly or with non-profit organizations, primary, secondary and higher educational institutions including schools, colleges, and universities to encourage efforts in a wide range of areas including training, provision of funding for continued education, skilling and re-skilling initiatives, offline and online education, research, infrastructure development and capacity building.
3	Rural Development	Work with non-governmental organizations (NGOs) and local administrations to achieve community development goals. Partner directly or with governments and NGOs to support projects related to development and improvement of infrastructure and essential amenities, livelihood and skilling initiatives, training and education, and rehabilitating disaster-affected victims in rural areas.
4	Gender equality and empowerment of women	Work directly or with NGOs to reach out to underprivileged and socially disadvantaged persons including women and children towards the cause of gender equality and empowerment. Projects include awareness activities, trainings, support for livelihood related efforts, infrastructure development, and operational needs.
5	Environmental sustainability	<p>a) Work with NGOs on safeguarding the environment, including protection of flora and fauna, promoting climate action, renewable energy, natural resource conservation as well as promoting resource efficiencies across energy, water and waste management.</p> <p>b) Projects can include interventions in the areas of water and wastewater management (watershed management, lake rejuvenation, etc.), rural electrification, waste to energy (household biogas), avoidance or replacement of firewood for cooking with efficient alternatives, forestry, amongst others.</p>
6	National heritage, art	Support artists, including writers, poets, painters, musicians, dancers and theatre artists, in collaboration with partner organizations through

	and culture	contribution towards operational needs, performance activities, livelihoods, and other opportunities to encourage preservation of cultural and traditional Indian art forms. Undertake restoration of architectural structures, historical monuments, and water bodies.
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5. Undertaking CSR Activities

The Company will undertake its CSR activities (being projects / programs / other permitted activities), approved by the CSR Committee either directly or through the Implementing Agency and / or such other eligible entity / organization as approved by the CSR Committee.

The surplus arising out of the CSR activities shall not form part of the business profit of the Company. Such surplus shall be spent towards its CSR activities in accordance with this policy.

Identification and implementation of multi-year CSR projects / programs ("**Ongoing Projects**") will be monitored by the CSR Committee and the Board of Directors of the Company ("**the Board**"), as required under Applicable Law.

6. CSR Annual Action Plan and Location of CSR Efforts

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time.

The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

7. Impact Assessment

Impact assessment shall be undertaken by the Company or by recipient or by implementing agency as required by and in the manner set out under Applicable Law, and the impact assessment report(s) shall be placed before the CSR Committee and the Board, and shall be disclosed as legally required.

8. Composition of CSR Committee and Disclosures

The CSR Committee shall be comprised in accordance with the requirements of Applicable Law. This CSR Policy, details of the composition of the CSR Committee and projects approved by the Board shall be hosted on the Company's website at www.paramountforge.com.

9. Governance

The Company can undertake CSR activities either by itself or through other entities eligible to undertake CSR activities under Applicable Law. Accordingly, Implementing Agency or such other entity will work closely with and support the Board and the CSR Committee in carrying out the CSR activities of the Company. Implementing Agency or such other entity will assist the CSR Committee in identifying the areas of CSR activities and execution of initiatives as per defined guidelines. Implementing Agency or such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal / external) on a periodic basis.

10. Funding, Selection and Monitoring Process

Implementing Agency or such other entity will receive requests for funding of projects throughout the calendar year. Its panel of experts will evaluate proposals received under the Implementing Agency or such other entity's focus areas and projects will be prioritized by assessing their potential impact. Implementing Agency will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

Board or any other person authorised will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically to enable the Board and the Management of the Company to meet their reporting, monitoring and other legal obligations.

In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the next three financial years in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

11. Responsibility of the Board of Directors

The role and responsibilities of the Board shall include:

- i. Approval of this Policy after taking into account recommendations of the CSR Committee.
- ii. The Directors' Report of the Company shall include an annual report on CSR containing the particulars prescribed by the Act or the Rules and disclose contents of the Policy in its report.
- iii. Ensure that the Policy shall be displayed on the Company's website.
- iv. Ensure that the CSR activities are undertaken and executed by the Company as per this Policy and the applicable laws.
- v. Ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.

12. Effective Date:

This CSR Policy shall be effective from **November 1, 2023**.