



**Pentagon Freight**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

The Corporate Social Responsibility (CSR) Policy (the "Policy") was developed by PENTAGON INTERNATIONAL FREIGHT SOLUTIONS PRIVATE LIMITED (hereinafter referred to as "Pentagon International Freight Solutions" or the "Company") in accordance with its mission, principles, and values, outlining the company's responsibilities as a socially and environmentally responsible business.

### **❖ VISION AND MISSION:**

Pentagon International Freight Solutions is committed to operate and grow its business in a socially responsible way and believes that along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. Our vision is to grow our business whilst reducing the environmental impact of our operations and increasing our positive social impact.

The Company shall carry its normal business in a manner that is beneficial to society and environment. For Pentagon International Freight Solutions, Corporate Social Responsibility (CSR) means responsible business practices through the involvement of all stakeholders in the decision-making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive. In the process, Pentagon International Freight Solutions commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and social integration.

The Company believes in an outcome and impact-oriented evaluation of its activities to sustain and replicate the best practices towards socio-economic development of the communities by spending on Education and Healthcare initiative and aim to make meaningful impact on the lives of marginalised communities.



**Pentagon Freight**

❖ **OBJECTIVE OF CSR:**

1. To establish the guidelines that will guide the company's relationship with society as it evolves through social and economic contribution and giving back to society for the resources it used to thrive through the implementation of appropriate business strategies and procedures.
2. To make a list of the projects, programs, and activities that need to be done during the year of implementation, with details about how they will be carried out and when they will be done.
3. The company intends to contribute to the social cause of improving society and the region in which it operates and make a positive impact on society.
4. The company envisions a community that is educated, healthy, culturally vibrant and sustainable and aims to thrive for the development and betterment of the society as a whole.
5. As a company, we also support a variety of charitable endeavours and strive to participate in ways that have an impact on the lives of those living in these communities.

❖ **CSR COMMITTEE:**

*The formulation of CSR Committee will be applicable on the Company when the CSR Expenditure exceeds Rs. 50,00,000/- in any financial year. Currently the said expenditure is below the threshold limit and thus the below-mentioned functions of CSR Committee shall be carried on by the Board of Directors. Once the CSR Expenditure crosses the threshold, the Company will form a CSR Committee and all the below mentioned functions will be delegated to the said Committee by the Board of Directors.*

1. The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.



**Pentagon Freight**

2. The CSR Committee shall consist of at least two Directors of the Company as members of the Committee. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.
3. The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
4. The term of the CSR Committee shall be for a minimum period of 3 years from the date of constitution but the said committee will be eligible for re-appointment. In the case of retirement of any of the Directors of the Company who are the members of the CSR Committee, fresh nomination of any other Director of the Company shall be made by the Board for the remainder of the period.
5. All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.
6. The Chairman of the CSR Committee may be any one of the Directors of the Company who is a member of the CSR Committee.
7. No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.



**Pentagon Freight**

The CSR Committee, whenever constituted and unless modified, formed by Pentagon International Freight Solutions Private Limited in accordance with the relevant provisions shall be as follows:

Sr. No.	Name of Member	Designation in Committee	Designation in Company
1.	Paresh Dhanji Bhanushali	Chairman	Director
2.	Arvind Bhanushali	Member	Director

❖ **FUNCTIONS OF THE CSR COMMITTEE:**

1. The CSR Committee of the Board shall formulate and recommend a CSR policy to the Board, indicating the activities to be under taken under CSR policy which is in tune with the Schedule VII of the Companies Act and any modifications made by the Govt. from time to time. The Committee shall also review the CSR policy from time to time / once in a year or such other periodical intervals as may be required. The Company shall study the CSR policies of other peer group housing finance companies/ CISR and take necessary guidance for the CSR activities, mode of spending CSR funds for eligible activities at periodical intervals and recommend to the CSR Committee, any modifications in the policy, objectives and allocation/ spending of CSR funds.
2. The CSR Committee shall estimate, compute the amount of expenditure to be incurred on CSR activities on an annual basis or project to project basis. All the expenditure to be incurred towards CSR activities shall be reviewed by the Board, subject to such monitory ceilings as may be prescribed by the Company's Act. Un-utilized CSR budget of a particular year to be permitted for carry over to the next financial year as per the provisions of the Act.



**Pentagon Freight**

3. The CSR Committee of the Board to monitor the progress in implementation of CSR projects and programs and report to the Board at half yearly intervals for review.
4. The CSR Committee shall approve the activities and budget for CSR expenditure from time to time and review such expenditure at half yearly intervals. The Company may also examine contributing a portion of the eligible amount to Prime Ministers National Relief Fund and such other activities and get the benefit of Tax concession and complying with the statutory requirements.

❖ **CSR ACTIVITIES:**

1. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
  - a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
  - b) Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly, and the differently abled and livelihood enhancement projects;
  - 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 back ward groups;



**Pentagon Freight**

- 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;
  - e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
  - f) Measures for the benefit of armed forces veterans, war windows and their dependents;
  - g) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
  - h) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  - i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - j) Rural development projects;
  - k) Such other activities as may be specified under the Act or the CSR Rules from time to time.
2. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
3. Based on the scope of activities, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.



**Pentagon Freight**

4. The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
  
5. The following details of any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations:
  - (i) The objectives and expected results of the CSR Activity;
  - (ii) The relevant sector and the nature of the CSR Activity;
  - (iii) The focus area/ location for implementation of the CSR Activity;
  - (iv) The amount to be allocated towards the CSR Activity;
  - (v) The indicative timelines for completion of the CSR Activity;
  - (vi) Whether the CSR Activity should be undertaken by the Implementation Group or any Implementing Agency or in collaboration with any other Company; and
  - (vii) Such other details as it may deem necessary.
  
6. In case any of the CSR Activities to be undertaken are anticipated to be long term, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.



**Pentagon Freight**

7. Based on the recommendations of the CSR Committee, the Board shall approve the following:

- (i) The specific CSR Activities that should be undertaken by the Company from time to time;
- (ii) The amount that should be deployed towards such CSR Activity;
- (iii) Whether the CSR Activities will be undertaken directly by the Company or through an Implementing Agency or in collaboration with any other companies [and record reasons for the same]

❖ **IMPLEMENTATION OF CSR POLICY:**

1. After prioritizing the activity, the Committee shall finalise the detail implementation project/programme, including planning for expenses against the total budget allocated for CSR activities.
2. The time period over which a particular project or program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.
3. The mode of implementation of CSR programs will include a combination of direct implementation and partnership with government institutions, training institutes etc. Pentagon International Freight Solutions will select its activity partners after appropriate due diligence.
4. The Company may use the services of internal teams, expert agencies, consultancy firms, etc, wherever required for carrying out baseline surveys, guidance on project design and implementation, due diligence of implementation partners, impact assessment surveys, etc.



**Pentagon Freight**

5. The Company will encourage its employees to volunteer for community service.

❖ **CSR BUDGET:**

1. Pentagon International Freight Solutions has undertaken to spend at least two (02) per cent of the average net profit made during the three (03) immediately preceding financial years on specific CSR projects and programs in compliance with Companies (Corporate Social Responsibility Policy) Rules, 2014 framed under the Companies Act, 2013 and as amended from time to time.
2. The computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Companies Act, 2013
3. The unutilized CSR budget from the two (02) per cent of the average net profit, if any, will be transferred to a separate bank account within 30 days from the end of financial year.
4. The Board shall make disclosures in the Annual Report as per clause (o) of sub-section (3) of Section 134 including particulars specified in annexures to the CSR Rules.
5. Surplus arising out of CSR projects, programs or activities shall not form part of the business profits of the Company. Instead, the same will be further deployed for future CSR projects only.

❖ **FAILURE TO SPEND CSR MONEY:**

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual



**Pentagon Freight**

Report pertaining to that particular Financial Year. Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

❖ **REVIEW, MONITORING AND FUTURE AMENDMENT:**

1. The CSR policy made will be reviewed from time to time and any changes, if necessary, will be proposed by the CSR Committee, followed by approval and adoption by the Board of the Company.
2. The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the CSR Activities proposed to be undertaken by the Company.
3. The CSR Committee will monitor the programs and projects to ensure that they are being carried out in compliance with this CSR Policy, budgets and processes defined by the Company and the Act and in accordance with the approved budget.
4. Further, the Board of Directors may revise/amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.

❖ **COMPLIANCE AND REPORTING:**

- CSR activities must be carried out by the Committee in accordance with the approved CSR Policy.
- A detailed report throwing light on the implementation schedule, total budget allotted, actual expenses incurred, surplus arising, if any, result achieved, additional work to be done in the relevant CSR activity, recommendations for CSR activities for the following year, etc., is provided in addition to the quarterly reporting of CSR activity implementation to the Board.



*Pentagon Freight*

- Such additional information should be put in front of the Board for it to look at.

❖ **DISPLAY OF CSR POLICY ON WEBSITE OF THE COMPANY:**

The contents of the CSR policy of the Company as approved by the Board shall be displayed on the Company's official website.

 [info@pentagonindia.net](mailto:info@pentagonindia.net)  [www.pentagonindia.net](http://www.pentagonindia.net)

 022 - 45966999  CIN NO :- U74999MH2012PTC227530

 **Pentagon International Freight Solutions Pvt. Ltd.**  
204, Satellite Silver, Marol Naka, Andheri Kurla Road,  
Andheri East, Mumbai 400 059