



POLYPLASTICS

INDUSTRIES (INDIA) PRIVATE LIMITED

Manufacturers of Precision Plastic Engineering Components



Corporate Social Responsibility (CSR) Policy **and Guidelines**

Polyplastics Industries (India) Private Limited

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1. CONTEXT

Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 crores or more or turnover of Rs. 1,000 crores or more or net profit of Rs. 5 crores or more shall constitute Corporate Social Responsibility Committee (**'CSR Committee'**) and the CSR Committee shall formulate and recommend Policy.

The CSR Committee so constituted shall formulate Policy on Corporate Social Responsibility (**'CSR Policy'**) and recommend the same to the Board of Directors of the Company ('Board') for its approval. The Board vide its resolution dated August 11th, 2014 approved and adopted the CSR Policy with immediate effect.

1.1. OBJECTIVES OF THE POLICY

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (**collectively referred hereinafter as 'Regulations'**) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

1.2. CSR ACTIVITIES

The Policy recognizes that corporate social responsibility is not only merely compliance, but it is also a commitment to support initiatives that measurably improve the lives of underprivileged by focusing on the activities as notified in schedule VII of the Companies Act, 2013 read with Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014.

- I. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- III. 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 backward groups;
- IV. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- V. 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;
- VI. Measures for the benefit of armed forces veterans, war widows and their dependents;

VII. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

VIII. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

IX. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;

X. Rural development projects;

XI. Slum Area Development;

CSR activities shall be undertaken as projects, programs of activities excluding activities undertaken in pursuance of the normal course of business of the Company.

1.3. ANNUAL SPENDS/ALLOCATION OF FUNDS

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years or as may be prescribed by applicable amended laws. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, and any income arising there from and surplus arising out of CSR activities.

However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

1.4. THE GEOGRAPHIC REACH

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the state of Haryana and such other State(s) in India wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

2. CSR COMMITTEE

2.1 GUIDING PRINCIPLES FOR CONSTITUTION OF CSR COMMITTEE

The CSR Committee will consist of minimum two directors.

The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio- visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

2.2 COMMITTEE MEMBERS

The Board vide its resolution dated July 2nd, 2014 constituted CSR Committee are as under:

S. No.	Names	Chairperson / Member
1.	Mr. Kapil Gupta	Chairperson
2.	Mr. Kamal Gupta	Member

2.3 SCOPE OF FUNCTIONS OF CSR COMMITTEE

Consistent with the applicable laws, following activities shall form the domain of company's CSR activities. The Company may undertake either or all of these activities at any time.

2.3.1 NOTIFIED CSR ACTIVITIES

- I. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- III. 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 backward groups;
- IV. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- V. 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;
- VI. Measures for the benefit of armed forces veterans, war widows and their dependents;

- VII. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- VIII. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- IX. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- X. Rural development projects;
- XI. Slum area development;
- XII. Providing grants , subsidies, donations, and/ or collaborate with other entities engaged in similar activities as may be permitted

2.4.2 ANCILLARY ACTIVITIES:

- I. To publicise the CSR Policy and initiatives org-wide, especially through mailers, screensaver and Policy documentation and upload(s) on website.
- II. To plan and carry out workshops to increase employee awareness on various projects and initiatives.
- III. Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the Committee for the furtherance of CSR objectives of the Company, in pursuance with the Regulations.

The above is a list outlining broad objectives which shall be reviewed from time to time and recommended to Board of Directors of the Company, However, the workscope will always remain consistent with and compliant of the applicable laws and Government initiatives.

2.4.3 TRANSPARENT MONITORING MECHANISM

The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the Company.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee/ external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

3. PROCEDURE

3.1 FUNDING

1. As per the current Regulations the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years in one or more tranches. Any unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilised in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub- section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

2. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

3.2 PLANNING AND IMPLEMENTATION

1. For the purpose of focusing its CSR efforts in a continued and effective, Education and Literacy Enhancement is identified as a main thrust area, besides other activities permitted under the Regulations.
2. A list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
3. If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within

India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:

- A. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided by it;
 - B. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;
- 4. The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 companies operating in India, which are not set up by the Company itself, herein collectively referred to as '**CSR Partner**' or '**CSR Partner(s)**'.
 - 5. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
 - 6. Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.

3.3 PROJECTS/PARTNERS

CSR Committee in consultation of the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and/or through CSR Partner(s).

3.4 REVIEW AND REPORTING

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, in the prescribed format as set out herein as Annexure I, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the regulation. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

4. MONITORING

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
2. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
3. The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
4. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.

5. AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of 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 by relevant statutory authorities, from time to time.

Annexure I

**Format for the Board of Directors report on CSR to form part of the
Annual Report and website of the Company**

1. Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.
2. The composition of the CSR Committee.
3. Average Net Profit of the company for last three financial years
4. Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)
5. Details of CSR spent during the financial year:
 - A. total amount to be spent for the financial year:
 - B. Amount unspent:
 - C. Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects /Programmes 1. Local area/others - 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project/ programs wise	Amount spent on the project /programs Subheads: 1.Direct expenditure on project, 2.Overheads	Cumulative spend upto to the reporting period.	Amount spent: Direct /through implementing agency*

6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last financial years or as permitted, the reasons for not spending

the amount shall be stated in the Board of Directors' Report to the Members.

7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.



Kamal Gupta

(Managing Director)



Kapil Gupta

(Chairperson CSR Committee)

Adopted by the Board of Directors in their meeting held on 11th August, 2014