



CORPORATE SOCIAL RESPONSIBILITY POLICY

GOVERNANCE INSTRUCTION

TABLE OF CONTENTS

1.	Background.....	3
2.	Approach	3
3.	Focus areas of implementation	3
4.	CSR Activities.....	4
5.	Budgets	5
6.	CSR Expenditure.....	5
7.	Mode of implementation.....	5
8.	Areas of CSR Projects/ Programmes / Activities	6
9.	Monitoring.....	6
10.	Board responsibility	7
11.	Review / Amendment.....	7
12.	Disclosure / Reporting.....	7

1. BACKGROUND

Corporate Social Responsibility (“CSR”) at Payal Polyplast Private Limited (“the Company” or “Payal”) is our commitment towards Inclusive Growth. Payal believes that long-term sustainability can be achieved by meeting legitimate concerns of all stakeholders. The Company’s approach to sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. As a responsible corporate citizen, the Company is constantly engaged in delivering value to its stakeholders through its promise of *Together, Safer, Everywhere*.

This Policy shall be called “Corporate Social Responsibility Policy” or “CSR Policy”, which is framed in accordance with the provisions of Section 135 of the Companies Act, 2013 (“the Act”) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”).

This Policy outlines the Company’s philosophy and responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes towards welfare & sustainable development of the community around the area of operations of the Company and other parts of the country.

2. APPROACH

The Company may initially follow the concept of contributing towards relief funds designated by the Government of India and in due course may either evolve to build and follow self-substantive model to empower communities or make such contribution as may be decided by the CSR Committee. The Company believes that for sustainable social intervention, participation of communities must be ensured in the Company’s CSR projects/programmes by working in close collaboration with local, national development agencies/organizations for its education, health and other projects/programmes.

3. FOCUS AREAS OF IMPLEMENTATION

The following are the focus areas:

- Contributing towards the Government designated relief funds;
- Promoting education vide enabling scientific research and innovation opportunities to education institutes;
- Improving health indices through innovative services and promoting health seeking behaviour;
- Escalating employability through vocational training;
- Promoting education among children, women, elderly and differently abled;
- Supporting armed forces veterans, war widows and their dependents;
- Any other area/project as may be approved by CSR Committee as mentioned in Schedule VII of the Companies Act, 2013.

4. CSR ACTIVITIES

The Company may undertake and execute all the activities as specified under Schedule VII of the Companies Act, 2013 which inter alia includes the following CSR activities (“CSR projects/ programmes”):

- Promotion of Education through the following activities :
 - Scholarships to students
 - Financial Assistance to students
 - Providing assistance to education institutions
 - Setting up libraries
 - Improving/maintaining infrastructure for education & sports activities
 - Supporting in teaching aids
 - Teacher’s training
 - Others- Financially, Logistically and Organizationally.

(As per items (i) & (ii) of Schedule VII of the Act)

- Employment Enhancing Vocational Skills, in particular, through the following activities:
 - Vocational training focused on employment generating skills
 - Assistance to Management & Engineering Institutes or its pupils to pursue higher or special education
 - Entrepreneurship development programmes

(As per item (ii) of Schedule VII of the Act)

- Eradicating Hunger and Poverty, in particular, through the following activities:
 - Generating awareness on malnourishment and measures to eradicate it
 - Monitoring growth of children below 6 years age
 - Developing village level health entrepreneurs to make available the MNP (Micro Nutrient Powder/Food supplement) at low cost

(As per item (i) of Schedule VII of the Act)

- Preventive Health Care, in particular, through the following activities:
 - Immunization
 - Safe drinking water availability
 - Engaging health workers locally from the villages for addressing Mother Child Health (MCH) issues
 - Running health center
 - Regular check up (weight, Hb, etc.)
 - Creating health and safety awareness
 - Health clinics for diagnosis of communicable diseases

(As per item (i) of Schedule VII of the Act)

- Promoting Gender Equality and empowering women, in particular, through the following activities:
 - Women centric training programs at Vocational Training Centers
 - Promoting formation of women groups for their economic independence
 - Providing loans without interest to start micro enterprises

(As per item (iii) of Schedule VII of the Act)

- Ensuring Environmental Sustainability, in particular, plantation by school children.

(As per item (iv) of Schedule VII of the Act)

- Rural Development Projects, in particular, supporting the community infrastructure for improving drainage systems, roads, etc.

(As per item (x) of Schedule VII of the Act)

5. BUDGETS

In the beginning of every financial year or during the financial year, budget for expenditure to be incurred on the CSR activities for the financial year will be recommended by the Corporate Social Responsibility Committee (“CSR Committee”) to the Board for its approval.

However, the amount to be spent on CSR activities shall be at least 2% of the average net profits of the Company calculated under Section 135 read with Section 198 of the Companies Act, 2013 for immediately preceding three financial years (“**CSR Expenditure**”).

6. CSR EXPENDITURE

CSR expenditure will include all expenditure including contribution to corpus or on projects/programmes relating to CSR activities.

The CSR Committee may build CSR capacities/CSR Working Committee constituting Payal’ employees for carrying out such activities as may be delegated by the CSR Committee or the Board to meet out the objective of the CSR Policy and may incur such reasonable expenditure as may be approved by the CSR Committee but such expenditure shall not exceed five per cent of total CSR Expenditure of the Company in one financial year.

The CSR Committee will take care that any surplus arising out of CSR activities will not form part of business of the Company, but the same will be spent on CSR activities.

7. MODE OF IMPLEMENTATION

The CSR projects/programmes will be either executed through CSR Committee or by CSR Working Committee or through any Implementing Agencies through institutions with established track record of three years under the supervision of CSR Committee.

The CSR Committee may either identify location wise projects or propose contribution towards such funds or organizations as may be specified under the Act. In case the activity is to be undertaken by the CSR Working Committee, then the CSR Committee will provide funds to CSR Working Committee on requirement basis. The funds will be utilized by CSR Working Committee for such projects. Payal with supervision of the CSR Committee and support of the CSR Working Committee will maintain record for each project at each location and ensure to provide the details of expenditure / reports for each project undertaken under this CSR Policy, in a manner as may be desired by the Company, from time to time.

The allocated CSR budget / corpus will be utilized for CSR activities to be undertaken within India:

- (i) which shall not be exclusively for the benefit of employees of Payal or their family members.
- (ii) which are not in pursuance of normal course of business of Payal.

The Board of Directors ("the Board") has delegated necessary powers and authorities to the CSR Committee for execution and implementation of the CSR Policy of the Company. The CSR Committee shall always adhere to the duties including but not limited to the following -

- a) formulate, recommend and time to time update to the Board a CSR
- b) recommend the amount of expenditure to be incurred on the activities under this CSR Policy
- c) monitor the CSR Policy of the Company from time to time
- d) make/incur expenditure towards the CSR Activities undertaken by the Company

8. AREAS OF CSR PROJECTS/ PROGRAMMES / ACTIVITIES

The CSR activities will be carried out around the areas of the Company's operational locations / offices viz. New Delhi, Daman, Dahej (Gujarat)

However, the CSR Committee may identify other areas for CSR activities, from time to time.

9. MONITORING

The CSR Committee will monitor all CSR projects/programmes. Broadly, the following procedure will be adopted by the CSR Committee:

- Specific projects with locations, budgets and time schedules may be recommended by the CSR Committee in the beginning of every financial year to the Board for its approval. CSR Committee either on its own motion or on recommendation of the Working Committee may propose such projects to the Board.

In case any contribution is proposed to be made either towards any Government designated relief fund or any trust, NGO or such other organization as may be specified under the provisions of the Act then such contribution shall be made with the prior approval of the CSR Committee. The CSR Committee shall on the recommendation of the Working Committee (if any) and in conformity to all the provisions of the Act may approve such contribution.

- Funds towards particular projects/programmes will be released on requirement basis.
- The CSR Committee would meet atleast once in a year basis to take stock of project wise status of project completion and funds utilization and to compare with budgeted funds and time lines. The minutes of the meetings of the CSR Committee will be placed before the Board in the next meeting of the Board followed by such CSR Committee Meeting. Any two members of the Committee shall constitute the quorum of that Meeting.

10. BOARD RESPONSIBILITY

Pursuant to the provisions of the Act, the Board shall be responsible for -

- Ensuring that the CSR activities, as per clause 4 of this Policy, are undertaken by the Company;
- Ensuring that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.
- Ensuring the reasons for not spending the above amount are explained in the Board's Report, if the Company fails to spend such amount.

11. REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the Act.

12. DISCLOSURE / REPORTING

The CSR Policy will be displayed on the Company's website.

An annual report on CSR containing the particulars as prescribed under the CSR Rules shall form part of the Board's Report of the Company.

The CSR Policy was approved by the Board at its meeting held on 19th August, 2016.