



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.	CSR Committee	5
8.	Mode of implementation	6
9.	Areas of CSR Projects/ Programmes / Activities.....	7
10.	Monitoring	7
11.	Board responsibility.....	7
12.	Review / Amendment.....	8
13.	Disclosure / Reporting	8

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 any 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 (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, Poverty and malnutrition, 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)
- Promoting Health Care including Preventive Health Care and Sanitation, 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. CSR COMMITTEE

The CSR Committee shall be comprised in accordance with the requirements of the Act and the Rules made thereunder with two or more directors.

The present composition of the Committee is as follows:

1. Nikhil Chandra Gupta.....Chairman
2. Surendra Singh Negi.....Member

8. 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 Implementing Agencies (other than established by Central Government or State Government or established under an act of parliament or state legislature) should be registered under Section 80G and Section 12A of the Income Tax Act and Implementing Agency shall also provide unique CSR Registration Number as allotted by Ministry of Corporate Affairs.

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.

Accordingly, the CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of CSR Policy, which shall include the following, namely:-

- (iii) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (iv) the manner of execution of such projects or programmes;
- (v) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (vi) monitoring and reporting mechanism for the projects or programmes; and
- (vii) However, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The Board of Directors ("the Board") may delegate necessary powers and authorities to the CSR Committee for execution and implementation of the said Annual Action Plan 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 in pursuance of Annual Action Plan.

9. AREAS OF CSR PROJECTS/ PROGRAMMES / ACTIVITIES

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

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

10. 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 as per Annual Action plan may be recommended by the CSR Committee in the beginning of every financial year to the Board for its approval.

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.

- The CSR Committee would meet atleast once in a year basis to review the implementation of project wise CSR activities and funds utilization and to compare with budgeted funds and time lines as per the approved Annual Action plan. 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.

11. 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.

- Ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- Monitor the implementation of the on-going project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

12. 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.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

13. 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.