

## POLYPLEX CORPORATION LIMITED

### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

#### POLICY

Polyplex Corporation Limited (PCL) is committed to operate and grow its business in a socially responsible manner with the vision to grow its business whilst reducing the environmental impact of its operations and increasing its positive social impact.

This policy outlines Corporate Social Responsibility agenda of the Company. Company's aim is to achieve responsible growth by laying down this policy and encouraging its employees to take small everyday actions that add up to making a big difference.

#### 1. DEFINITIONS:

- 1.1 **'Company'** shall mean 'Polyplex Corporation Limited', a Company incorporated under the provisions of the Companies Act, 1956.
- 1.2 **'Act'** shall mean the Companies Act, 2013 and includes any other rules, regulations made under the Act, statutory amendments, from time to time, and any other statutory enactment thereof.
- 1.3 **'Administrative overheads'** means the expenses incurred by the company for general management and administration of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme.
- 1.4 **'Board'** shall mean Board of Directors of the Company (Polyplex Corporation Limited.)
- 1.5 **'Corporate Social Responsibility'** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules notified by the Ministry of Corporate Affairs, from time to time, but shall not include the following namely :-
  - i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
    - a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
    - b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

- ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
  - v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
  - vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- 1.6. **'CSR Committee'** shall mean the CSR Committee formed by the Board of Directors of the Company pursuant to section 135 of the Act.
- 1.7 **'CSR Policy'** shall mean this Policy approved by the Board on the recommendations of the CSR Committee.
- 1.8 **'CSR Expenditure'** shall mean and include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of Committee, but does not include any expenditure on an item not in conformity with the Policy framed thereunder.
- 1.9 **'Directors' Report'** shall mean the report under the section 134 of the Act 2013, by the Company;
- 1.10 **'Independent Director'** shall mean the Director as defined and enunciated in sub section 6 of Section 149 of the Act.
- 1.11. **'International Organisation'** shall mean an organisation notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947.
- 1.12 **'Net profit'** shall mean the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
- i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
- 1.13 **'Ongoing Project'** shall mean a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year

project but whose duration has been extended beyond one year by the Board based on reasonable justification.

- 1.14 'Public Authority' shall mean 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005.
- 1.15. '**Web site**' shall mean the official web site of the Company.
- 1.16. Words not defined here shall have meaning assigned to them under the Act and Rules made thereunder.

## 2. COMMITTEE

The Board has constituted a Committee as required by Section 135(1) of the Act. The list of the committee members is annexed as Annexure A to this policy and the Board has absolute power to reconstitute this Committee in conformity with the provisions of the Act.

## 3. CHAIRPERSON

The Chairperson of the Committee shall be elected by the Members of the Committee in accordance with the requirements of the Act.

## 4. MEETINGS

4.1. The Committee members will meet as and when required for disposal of the business.

4.2 Notice of any meeting of the CSR Committee has to be given at least 7 days prior to any such meeting to be held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member.

## 5. QUORUM

Minimum of two Members shall form the Quorum, including at least one Independent Director.

## 6. RESOLUTIONS

6.1 All decisions shall be taken by simple majority. In case of equality of votes on any matter, Chairperson of the Committee shall have a casting vote.

6.2 The Committee can also pass the resolution by circulation, if the draft resolution along with necessary papers, has been circulated to all the members of the CSR Committee (not being less than the quorum fixed for a meeting of the CSR Committee), then in India and has been approved by such of the members as are then in India, or by majority of such of them, as are entitled to vote on the resolution.

## 7. MINUTES

7.1 Minutes of the proceedings and resolutions of the CSR Committee meetings shall be signed and confirmed by the Chairperson of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions. Minutes of all Committee meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.

7.2 Minutes of the committee meeting shall be recorded in loose sheets bound and shall be initialed by the Chairperson or in electronic form and shall be digital signed by the Chairperson.

## 8. MAINTENANCE OF RECORDS

Company Secretary of the Company or any other member of his/her team may be nominated as a responsible person for maintaining the records of all the Meetings and duly signed minutes of the Meeting of the CSR Committee.

## 9. CSR FUNDS

In every Financial Year, the Company shall spend at least 2 percent of its average Net Profits as prescribed in the Act and the Rules made there under. However, at the recommendation of the CSR committee, the Board may decide to spend more amount but not less than the amount as mentioned above.

## 10. NOT FOR EMPLOYEES ONLY:

The CSR activities should not be exclusively for the benefit of employees of the Company or their family members.

## 11. ROLE OF BOARD OF DIRECTORS

- a) Approve CSR Policy after considering recommendations of CSR Committee.
- b) Placing CSR Policy on company's website.
- c) Ensuring CSR activities approved by the Board are undertaken.
- d) Where the Company fails to spend such amount, specify the reasons for not spending the amount in its report.

## 12. ROLE AND RESPONSIBILITY OF THE COMMITTEE

Committee shall :

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy for its approval and modification as may be required from time to time to meet the statutory or other needs..
- b) Formulate and recommend to the Board an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
  - i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - ii) the manner of execution of such projects or programmes.
  - iii) the modalities of utilization of funds and implementation schedules for the projects or programmes;
  - iv) monitoring and reporting mechanism for the projects or programmes; and
  - v) details of need and impact assessment, if any, for the projects undertaken by the company.

## 13. NGO

The NGO selection criteria for undertaking CSR activities on behalf of the Company shall be;

- Legal identity and its organization.
- Registration under the Income Tax and Foreign Exchange department, if applicable.
- Registration with Ministry of Corporate Affairs, Government of India.
- Members in the Board of NGO.
- Past donors and recipients of NGO.
- Impact assessment on the activities undertaken.
- Input output ratio of the activities undertaken.
- Directors', employees, volunteers remuneration.
- Future projects appraisal.
- Beneficiaries of the activities.
- Projected impact assessment of the activities.
- Fund required for the activity and plan for contribution.
- Other donors contributing for these chosen activities.
- Mode of payment to the NGO shall be 'Crossed' and 'A/c Payee' Demand Draft/Cheque or electronic fund transfers

#### 14. ACTIVITIES MAY BE INCLUDED IN CSR POLICY

Category of activities to be undertaken as CSR activity shall be as specified in Schedule VII of the Companies Act, 2013, as amended/ modified from time to time, which at present are mentioned in Annexure –B to this Policy.

#### 15. CSR Expenditure

15.1 The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

15.2 Any Surplus arising out of the CSR Activities shall not form part of business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

15.3 Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of 135 upto to immediate succeeding three financial years subject to conditions prescribed in this behalf.

15.4 The Board or the CSR Committee may delegate necessary powers for the execution and implementation of CSR Policy. The delegation shall also include powers for meeting the requirements arising out of immediate and urgent situations.

15.5 The CSR amount may be spent by the company for creation or acquisition of a capital asset, which shall be held by :

- a) Company established under section 8 of the Act or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives entities ; or;
- c) a public authority.

#### 16. OTHERS

a) Preference to undertake CSR activities shall be to local area and areas around Company's Establishment/Works.

b) A company may spend on CSR activities by way of contributing to an NGO which is registered

as Trust or Section 8 Company or Society or Foundation or any other form of entity operating within India.

- c) A company may incorporate / register a separate trust, society, foundation, Section 8 of the Act to facilitate CSR Activities. Where any trust, society or foundation is not established by the Company, it shall have an established track record of three years in undertaking similar programs or activities.
- d) CSR activities in India only shall be taken into consideration.
- e) Expenditure incurred is eligible for computing CSR spending.
- f) Company may build CSR capacities of its own personnel as well as those of its implementing agencies through Institutions with established track record of at least three financial years but such expenditure shall not exceed five per cent of total CSR expenditure of the Company in one Financial Year.
- g) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
- h) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- i) The Company may collaborate or pool resources with other companies to undertake activities.

## 17. CSR REPORTING

The Board's Report of the Company shall include report on CSR containing particulars prescribed from time to time by the Rules made under the Act

In any year if the Company has average CSR obligation of ten crore rupees or more pursuant to sub section (5) of section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study. The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR. Company undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lac rupees, whichever is less.

## 18. REVIEW OF ACTIVITIES

- Frequency of review as far as possible will be on quarterly basis.
- Implementation of changes desired.
- Alternate NGO performing better for the cause.
- Recommendation of the identified NGO for the review of Board.

## 19. IMPLEMENTATION PROCESS

- 19.1 As far as possible projects shall be identified in a participatory manner, in consultation with the community, and gauging their basic needs.
- 19.2 The Board shall ensure that the CSR activities are undertaken by the Company itself or through –
- a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
  - b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - c) any entity established under an Act of Parliament or a State legislature; or
  - d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 19.3 As prescribed under the Rules, every entity mentioned above which intends to undertake any CSR activity, shall register itself with the Central Government by filing the Form CSR-1 with the Registrar of Company Affairs, Ministry of Corporate Affairs, provided this provision shall not affect the CSR projects or programmes approved prior to April 1, 2021.
- 19.4 Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of its own personnel for CSR.
- 19.5 Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the Rules/ Policy.
- 19.6 The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the personal responsible for financial management shall certify to this effect.
- 19.7 In case of ongoing project(s), the Board of the Company shall monitor the implementation of the 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.
20. Display of CSR activities on website
- The Company shall disclose the composition of the CSR Committee and CSR Policy and Projects approved by the Board on its website, if any, for public access.



21. Treatment of unspent CSR amount

21.1 If the company fails to spend CSR amount as required by Section 135 of the Act, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year

21.2 The unspent CSR amount in any year, pertaining to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

22. AMENDMENTS TO THE CSR POLICY:

The Company's Board of Directors shall have power to amend the CSR Policy at any point of time after taking recommendation of CSR Committee, if required.

## ANNEXURE A

S. No.	Member's Name	Category	Designation	From	To
1.	Mr. Sanjiv Saraf	Non- Independent Non-Executive Promoter Category	Chairperson	01-Oct-2014	continuing
2.	Mr. Brij Kishore Soni	Independent Non- Executive	Member	01-Oct-2014	continuing
3.	Dr. Suresh Inderchand Surana	Independent Non- Executive	Member	01-Oct-2014	11-June-2018
4	Mr. Ranjit Singh	Independent Non- Executive	Member	01-Apr-2019	continuing

*Note:*

*This Policy was last updated on May 25, 2021*

### List of CSR Activities, as appearing in Schedule VII to the Companies Act, 2013

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation (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 set-up 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 art and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii. contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

x. rural development projects

xi. slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

xii. disaster management, including relief, rehabilitation and reconstruction activities.