

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. CSR Philosophy

Plastiblends India Ltd. (PBI) strives to be a socially responsible Company and strongly believes in development of society at large.

2. Objective

The objective of this Policy is to set guidelines for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

3. CSR Obligations

Pursuant to Section 135 of the Companies Act, 2013 (Act) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) and Schedule VII appended to said Act and Circular issued by the Ministry of Corporate Affairs (Collectively referred hereinafter as “Regulations”) every company having net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

4. Definitions

In this Policy, unless the context otherwise requires:

- (a) ‘Act’ means Companies Act, 2013;
- (b) ‘Corporate Social Responsibility’ means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014;
- (c) ‘Net Profit’ means net profit as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as set out below:

Net Profit as per financial statements 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
- (d) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

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Palsana
Block No. 18-A, 15, Makhinga,
Palsana, Surat, Gujarat - 394 315

Roorkee
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Dist. Haridwar, Uttarakhand - 247 661

5. Composition of CSR Committee

In compliance of above Regulations, Board of Directors of the Company has constituted CSR Committee consisting of following three directors:

Shri Satyanarayan G. Kabra – Chairperson (Executive Director)
Smt Meena S. Agrawal – Member (Independent Director)
Shri Varun S. Kabra – Member (Executive Director)

6. Role of CSR Committee

In terms of Section 135(3) of the said Act, the CSR Committee shall :

- (a) Formulate and recommend to the Board, a CSR Policy;
- (b) Recommend the amount of expenditure to be incurred on CSR activities;
- (c) Recommend to the Board CSR activities to be undertaken by the Company as specified in Schedule VII appended to the Act during any financial year along with detailed annual action plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- (d) Monitor the CSR Policy of the Company from time to time and ensure its compliance.

7. Board's approval to CSR Policy

The Board of Directors of the Company has accorded its approval to the policy on Corporate Social Responsibility.

8. Governance

- (i) The CSR Committee is responsible for monitoring of all CSR activities from start to finish;
- (ii) Programs to be supported via CSR will be selected by it through a transparent process and it shall institute a transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company.

9. CSR Annual Action Plan

The CSR Committee shall formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time.

The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

10. CSR Activities

CSR activities shall be as specified in the schedule VII of the Companies Act, 2013

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CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

11. The Geographical reach

Regulations provide that the CSR activities shall be undertaken only in India for the benefit of the public and not only for the employees of the Company and their family. It further provides that the Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR.

12. CSR Expenditure

12.1 The Company would spend at least 2% (two percent) of the average Net Profits of the Company made during the three immediately preceding financial years. 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, any income arising there from and surplus arising out of CSR activities.

12.2 The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative over-heads shall not exceed five percent of total CSR expenditure of the Company in one financial year.

12.3 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.

12.4 CSR activities should be undertaken by the Companies in project / programme mode (as referred in Rule 4(1) of Companies CSR Rules, 2014).

12.5 Expenses incurred by companies for the fulfillment of any Act / Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.

12.6 Contribution to Corpus of a Trust / Society / Section 8 companies etc. will qualify as CSR expenditure as long as (a) the Trust / Society / Section 8 companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

13. CSR Funding

As per the 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 case the Company spends an amount in excess of its CSR obligation in a financial year, such excess amount may be set-off against the requirement of the CSR Spending under Section 135(5) upto the immediate succeeding 3 financial years, provided that the

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excess amount available for set-off shall not include the surplus arising out of CSR activities and the Board shall pass a resolution to that effect.

14. Implementation of CSR activities

- (i) The Company may undertake CSR activities through Implementation Partners i.e. a registered trust or society or any company, established by the Company, its holding or subsidiary company under Section 8 of the Act for such non-for-profit objectives or directly through its own team.
Provided that the Company can carry out the CSR activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR activities.
- (ii) The Company may collaborate with other companies for undertaking the CSR activities subject to fulfillment of separate reporting requirements as prescribed in the Regulations.
- (iii) The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR activities.

15. Reporting

The Company shall disclose in its Board Report in the manner prescribed under the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

The Company shall disclose its CSR projects and activities on its website, apart from CSR Policy and committee composition.

16. Tax Treatment

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

17. Review and Amendment

This Policy shall be subject to the amendments which may be made to any or all of the following regulations –

- (i) Section 135 of the Companies Act, 2013;
- (ii) Schedule VII to the said Act;
- (iii) Companies (Corporate Social Responsibility Policy) Rules, 2014

by any General Circular, notification, corrigendum issued by the Ministry of Corporate Affairs from time to time.

The CSR Committee may review this policy periodically and recommend for the Board's approval from time to time, as may be deemed necessary.

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