

# **CORPORATE SOCIAL RESPONSIBILITY POLICY – PRECISION PLASTIC INDUSTRIES PRIVATE LIMITED**

## **BACKGROUND:**

In alignment with Section 135 of the Companies Act, 2013, the Company recognizes its pivotal role in contributing positively to society through structured CSR initiatives. Embracing this mandate, we aim to catalyze meaningful change and foster sustainable development. In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is, inter alia, required to:

- i. Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- ii. Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

## **PHILOSOPHY:**

At the core of our CSR ethos lies a commitment to ethical conduct and societal well-being. We perceive CSR not merely as a statutory obligation but as a moral imperative, reflecting our profound sense of responsibility towards the communities and environments in which we operate.

Corporate Social Responsibility (CSR) is a public-spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment

on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit which resonates with the policy of the Company.

## FOCUS AREAS:

Our CSR strategy centers around addressing pressing societal challenges, including but not limited to eradicating hunger, poverty, and malnutrition; advancing healthcare, sanitation, and hygiene practices; promoting education and skill development, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, 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, ensuring environmental sustainability, conservation of natural resources, fostering gender equality; and empowering marginalized communities. Additionally, our CSR initiatives can also be focused and extended on other areas as specified under Schedule VII of the Companies Act, 2013, from time-to-time.

## OUR VISION:

- i. Uphold integrity, transparency, and fairness in all our endeavours, fostering trust and credibility within our stakeholder ecosystem.
- ii. Sustainable development by improving the quality of life for individuals and communities, thereby contributing to inclusive growth and societal progress.
- iii. Adhere strongly to the regulatory framework outlined in the Companies Act, 2013, and act diligently to comply with all its rules and regulations with evolving CSR norms and best practices.

## APPLICABILITY:

This policy extends across all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and

under-privileged. Our goal is to target interventions that address the unique needs of disadvantaged and underprivileged segments within these communities and emphasis on the promoting education and skill development.

The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 and in accordance with the CSR Rules notified by the Ministry of Corporate Affairs, Government of India.

## OBJECTIVES:

- i. Promote sustainable business practices that balance economic prosperity with socially and environmentally sustainable manner, ensuring the long-term viability and interest of all its stakeholders.
- ii. Drive impactful CSR programs benefit the communities in and around its work centres and that not only address immediate societal needs but also contribute to the holistic development and resilience of communities over time, results in enhancing the quality of life of the people in the area of its business operations.
- iii. Cultivate a culture of corporate citizenship, fostering goodwill, trust, and mutual respect between the Company and its diverse stakeholders and help reinforce a positive and socially responsible image of Company.

## COMPOSITION OF THE CSR COMMITTEE:

The Corporate Social Responsibility Committee ("CSR Committee") shall comprise a diverse mix of Directors. The CSR Committee assumes a pivotal role in shaping and overseeing our CSR agenda. Responsibilities include formulating robust CSR policies, recommending appropriate expenditure allocations, and diligently monitoring the implementation and impact of CSR initiatives. The Committee may formulate a CSR Sub-Committee with such other Directors / Executives of the Company from time to time as it may deem necessary and expedient.

***Note: As the Company's CSR expenditure threshold does not exceed Rupees 50 Lakhs, it adheres to the Companies (Corporate Social Responsibility Policy)***

*Amendment Rules, 2022, which exempted the Companies failing to meet CSR committee criteria. The Board of Directors oversees the monitoring and implementation of CSR initiatives. To facilitate clear understanding, the Board of Directors manages CSR monitoring, meetings, roles, and implementations. During the substitution of this policy, references to the CSR Committee should be interpreted as the Board of Directors, unless the same is amended.*

## MEETINGS OF THE CSR COMMITTEE:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The Members would thrive to hold at least two meetings in a financial year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

## ROLE OF CSR COMMITTEE:

- i. To formulate and recommend to the Board, the strategies and approach for the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).
- ii. To recommend the amount of expenditure to be incurred on the activities in a financial year.
- iii. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv. Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company

## BOARD RESPONSIBILITIES:

- i. Establish and transparently disclose the composition of the CSR Committee, ensuring representation from diverse perspectives.
- ii. Deliberate on and approve the CSR Policy, incorporating insights and recommendations from the CSR Committee.
- iii. Publicise the CSR Policy through the Company's official channels, including its website, to promote transparency and accountability.
- iv. Provide strategic oversight and guidance to ensure the effective execution of CSR activities, including timely allocation, expenditure, and utilization of CSR funds every year as per law.
- v. Exercise due diligence in monitoring CSR expenditure, disclosing reasons for any deviations or unspent amounts in the Annual Report, and ensuring compliance with statutory regulations and internal policies.
- vi. Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure in accordance with legal provisions.
- vii. Ensure and authorize the transfer of unspent CSR funds in accordance with legal provisions.
- viii. Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee shall certify to the effect.
- ix. Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

## CSR PROGRAMS:

Our CSR interventions encompass a diverse array of thematic areas, with a primary focus on:

- (a) Education: Enhancing access to quality education, promoting digital literacy, and supporting skill development initiatives to empower individuals and enable socio-economic mobility.

- (b) Health and Sanitation: Promoting preventive healthcare measures, improving access to essential healthcare services, and advancing sanitation and hygiene practices to enhance public health outcomes.
- (c) Any other program, which the committee shall deem fit.

## IMPLEMENTATION:

CSR programs to be meticulously designed and implemented in collaboration with relevant communities. Professional agencies may be engaged to conduct comprehensive assessments, ensuring that our interventions are tailored to address the specific needs and aspirations of target communities.

## PARTNERSHIPS:

To actively seek collaborative partnerships with government agencies, non-profit organizations, academic institutions, and other like-minded entities to amplify the impact of our CSR initiatives. These strategic alliances enable us to leverage complementary expertise, resources, and networks, thereby enhancing the scalability, effectiveness, and sustainability of our interventions.

## CRITERIA FOR IDENTIFYING EXECUTING PARTNERS:

In case of programme execution by Trust, NGOs/Voluntary organizations the following minimum criteria should be required to be ensured:

- i. The Trust, NGO / Agency must have a permanent office / address in India.
- ii. The Trust, NGO should be a registered public Trust or a Society having a duly executed Trust Deed / Memorandum of Association.
- iii. It should have registration Certificates under Section 12A, Section 80G, etc. of the Income Tax Act, 1961, registration under FCRA (wherever mandatory) and other applicable registrations.
- iv. It should have a Permanent Account Number (PAN).
- v. The antecedents of the Trust, NGO / Agency are verifiable / subject to confirmation.

- vi. Should have a team of professional expertise and system to maintain Books of Accounts and to generate necessary Reports on the supported programmes.
- vii. No tie-up with the Competition of the Company.

Provided that in case of any amendment in the Act / the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable). Provided also that the CSR Committee may waive one or more of the above criteria on case to case basis.

## MONITORING AND EVALUATION:

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum and tenure of the CSR programmes:

- Regular reporting and review processes to track the implementation progress and outcomes of CSR initiatives.
- Documentation, engagement and feedback mechanisms to solicit input from beneficiaries, local communities, and other relevant stakeholders, as and when required
- Periodic field visits and site inspections by dedicated CSR teams to assess program implementation, identify challenges, and capture best practices. The visits would be informed and surprised also.
- Financial and narrative reporting requirements for partner organizations, ensuring transparency, accountability, and compliance with agreed-upon objectives and deliverables.
- Independent impact assessments and evaluations conducted by the Finance and Accounts Team of the Company and the qualified third-party agencies, as deemed necessary, to measure the socio-economic, environmental, and developmental outcomes of our CSR interventions. The Finance and Accounts would, from time to time, also guide the respective partners and CSR team of the Company on necessary compliances.
- Impact Assessment would be conducted on a periodic basis, through the Finance and Accounts Team of the Company and independent professional third parties, if need be, especially on the strategic and high value programmes.

## INTERNATIONAL ENGAGEMENT:

Recognizing the value of global perspectives and expertise, the Company may engage with international organizations to enhance the design, monitoring, and evaluation of our CSR projects or programs. Additionally, international partnerships may facilitate capacity-building initiatives aimed at enhancing the capabilities and effectiveness of our CSR teams and partner organizations.

## CSR ANNUAL ACTION PLAN:

The CSR Committee, shall develop and formulate a comprehensive Annual Action Plan and recommend to the Board of Directors, outlining the strategic priorities, focus areas, budget allocations, implementation modalities, monitoring mechanisms, and performance indicators for CSR initiatives in the forthcoming financial year. The Annual Action shall be subject to review and approval by the Board of Directors, with provisions for periodic revisions based on evolving needs and emerging opportunities, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

## INFORMATION DISSEMINATION:

We are committed to ensuring transparency, accountability, and stakeholder engagement in our CSR endeavors. To this end, we undertake the following initiatives:

- Comprehensive documentation and reporting of CSR policies, activities, and expenditure, which shall be periodically updated and made publicly available through official channels.
- Inclusion of CSR-related disclosures and narratives in the Company's Annual Report, providing shareholders and other stakeholders with insights into our CSR strategy, performance, and impact.



## GENERAL:

- Adherence to the legal and regulatory framework outlined in the Companies Act, 2013, and the CSR Rules, with ongoing efforts to stay up-to-date of evolving guidelines, interpretations, and best practices.
- Establishment of a dedicated Corporate CSR Department tasked with providing guidance, oversight, and support to internal stakeholders on CSR-related matters, if and when required.
- Flexibility to revise, amend, or update the CSR Policy in response to changing regulatory requirements, stakeholder expectations, or organizational priorities, with due consideration for consultation, transparency, and accountability.
- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to Corporate Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.