



PG ELECTROPLAST LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE:

Corporate Social Responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It extends beyond philanthropic activities and reaches out to the integration of social and business goals. These activities need to be seen as those which would, in the long term, help secure a sustainable competitive advantage. As important as CSR is for the community, it is equally valuable for a company. CSR activities can help forge a stronger bond between employee and Company; they can boost morale and can help both employees and employers feel more connected with the world around them.

SCOPE AND OBJECTIVES:

In order to carry out the charitable activities in a structured manner and to streamline and provide more focus and direction to the activities undertaken by the Company in its sphere, it is decided to formulate a policy on Corporate Social Responsibility.

Further, Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have also laid down Guidelines for CSR Programme for every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or net profit of rupees five crore or more during any financial year. This policy is formulated in line with the requirements of the Companies Act, 2013 and shall be applicable on uniform basis.

ACTIVITIES TO BE UNDERTAKEN:

The Company shall be undertaking one or more of the following activities from time to time:

- (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;
- (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 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) Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt;
- (x) Rural development projects;
- (xi) Slum area development

THE GEOGRAPHIC REACH:

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus, give preference to conducting CSR activities in the state of Uttar Pradesh, Delhi and Maharashtra, herein the Company has its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

ALLOCATION OF CSR EXPENDITURE:

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company shall endeavour to allocate the following as its Annual CSR expenditure:

- (i) 2% of average net profits made during the three immediately preceding financial years, as prescribed under the Companies Act, 2013 and the Rules; or
- (ii) However, at the recommendation of the CSR committee, the Board may decide to spend more amounts.

COMPUTATION OF NET PROFIT:

Average Net Profit shall be calculated in accordance with the provisions of section 198 of Companies Act, 2013.

MODE OF IMPLEMENTATION:

- a) The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, either directly or through:
 - (i) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or along with any other company, or
 - (ii) 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 any entity established under an Act of Parliament or a State legislature, or
 - (iii) a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in (i) and (ii), such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

- b) The allocated CSR Expenditure shall only be utilized for CSR activities undertaken within India, which are not exclusively for the benefit of employees of the Company or their family members.

- c) Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.
- d) The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure (including expenditure on administrative overheads) shall not exceed five percent of total CSR expenditure of the company in one financial year.
- e) The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

ROLE OF BOARD OF DIRECTORS:

- (a) Approval of CSR Policy after considering recommendations of CSR Committee.
- (b) Contents of CSR Policy on company's website.
- (c) Ensuring CSR Policy activities are undertaken by the Company.

CSR MONITORING AND REPORTING MECHANISM:

The CSR Committee shall monitor the amount of expenditure as approved by the Board of Company. Apart from the above, the Directors' Report of the Company shall include an annual report on CSR containing the particulars in the prescribed format.

DISPLAY OF THE CSR POLICY ON THE WEBSITE OF THE COMPANY:

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and ensure such policy to be displayed on the company's website.

AMENDMENT TO THE POLICY:

The Board of Directors may amend this Policy from time to time as the situation warrants and as may be recommended by the CSR Committee. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Board of Directors of the Company at their meeting held on May 25, 2018 had constituted the Corporate Social Responsibility (CSR) Committee w.e.f. May 26, 2018 in terms of Section 135 of the Companies Act, 2013 as under:

S. No.	Name	Designation in the Company	Status in the Committee
1.	Dr. Rita Mohanty	Independent Director	Chairman
2.	Mr. Promod Gupta	Whole-Time Director	Member
3.	Mr. Vishal Gupta	Whole-Time Director	Member

TERMS OF REFERENCE OF CSR COMMITTEE:

The term of reference of the Corporate Social Responsibility Committee shall, inter alia include the following:

- A. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject specified in Schedule VII of the Companies Act, 2013,
- B. To recommend the amount of expenditure to be incurred on the activities referred in above mentioned Para A,
- C. To monitor the Corporate Social Responsibility Policy of the company from time to time, and
- D. Any other matter as the CSR Committee may deem appropriate after approval of Board of Directors or as may be directed by the Board of Directors from time to time.

QUORUM OF CSR COMMITTEE MEETING:

- (i) Two members either personally present or by any audio visual means (Electronic mode), out of which one shall be an Independent Director.
- (ii) Electronic mode shall be counted for quorum except on such restricted items as prescribed under the Companies Act, 2013.
- (iii) Quorum shall be present throughout the meeting.

FREQUENCY OF THE MEETING:

The Committee shall meet at least twice in each financial year.