



CORPORATE SOCIAL RESPONSIBILITY POLICY

Pursuant to Section 135 of The Companies Act, 2013 (the Act) read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules), Parekhplast India Limited has established its Corporate Social Responsibility Policy ("CSR Policy") as per approval given by the Board of Directors of the Company at its meeting held on 16th January, 2016. The said Act and Rules in this regard have been substantially amended with effect from 22 January 2021, necessitating changes to be made in the CSR Policy.

Accordingly, a revised Policy has been framed for adoption by the Board of Directors incorporating the necessary changes. This Policy shall supersede the earlier Policy and shall come into immediate effect.

Company Philosophy for CSR Policy

CSR Policy is a positive step and the company appreciates the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of the Parekhplast India Limited expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

Corporate Social Responsibility Committee

As per amended provisions of Section 135 of Companies Act, 2013 and the Rules made thereunder, the Company does not require to constitute Corporate Social Responsibility Committee ("CSR Committee") as obligation to be spent CSR does not exceed Rs.50,00,000/-.

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the provisions of the Companies Act, 2013 and rules made thereunder.

The Board of Directors shall exercise powers and perform the functions pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

CSR Activities

Pursuant to Schedule VII of the Companies Act, 2013, the Board of Directors has approved the following activities as "CSR Activities". The Board of Directors has reviewed the said activities alongwith section 135 of the Companies Act, 2013, Schedule VII and other applicable rules, regulations, notifications etc., issued/to be issued from time to time.

Approved CSR Activities:

- 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.
- Promoting education, 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, 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.
- 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.
- 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.
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.

- 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.
- 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.
- 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).
- Rural development projects.
- 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.

- Disaster management, including relief, rehabilitation and reconstruction activities.



Any other activities which may be included by Ministry of Corporate Affairs (MCA by way of any amendment to Schedule – VII or otherwise included by way of clarification, order or circulars by MCA.

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of the Act. The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates.

Budget for CSR Activity & CSR Expenses

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The CFO or the person responsible for financial management shall approve and certify that the total fund to be utilized only for CSR activity for the respective financial year.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs' relating to CSR activities approved by the Board but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

Identification of activities/projects

Out of approved CSR activities, the Board shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Board shall analyse the basic need of the community/ area in which the Organization operates or at the place where its registered office is situated. The Board shall record its findings and prioritised the CSR activities.

Implementation process

After prioritizing the activity, the Board shall finalise the detailed implementation Project/programme, including planning for expenses against the total budget allocated for CSR activities.

Organisational Responsibility

At organisational level for implementation of agreed CSR activity, The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency. The team or respective department shall monitor the implementation process from time to time, on behalf of the Board and place a report to the Board regarding the progress of the activity implementation, on a quarterly basis. The respective department or implementation team would be responsible for reporting of any irregularity to the Board on immediate basis.

Monitoring by the Board

The Board of Directors shall constantly monitor the implementation of the CSR activities.

The Role of the Board of Directors

1. The Board of Directors shall approve the CSR policy and the Annual CSR Action Plan of the company.
2. The Board of Directors shall endeavour that the Company spends 2% of the average Before tax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
3. The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
4. The Board may extend a non-ongoing project beyond one year based on reasonable justification.
5. The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
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 person responsible for financial management shall certify to the effect.
7. In case of ongoing project, 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.
8. The Board may alter the CSR Annual Action Plan at any time during the financial year.
9. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
10. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that – (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any. (ii) the Board of the Company shall pass a resolution to that effect.

Compliance and Reporting to Board

The Board is responsible to undertake CSR activities as per the approved CSR Policy. A detailed report containing the implementation schedule, total budget allocated, actual expenses incurred, surplus arising, if any, result achieved, further work to do in the concerned CSR activity, recommendations for the CSR activities for next year etc. should be placed before the Board for its consideration. Any surplus arising out of the fund allocated for CSR activity shall not be the part of the business profit of the Company.

**Management Commitment**

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Our Corporate Social Responsibility policy conforms to the relevant section of the Corporate Social Responsibility and Rules made thereunder Companies Act, 2013 and amendment(s) to be made thereto in future.

Policy Review and Amendment

This policy shall be reviewed annually or as deemed necessary by the Board of Directors. Amendments will be made to ensure alignment with evolving regulations and business priorities.