



# PASUPATI ACRYLON LIMITED

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

{Under Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time}

*(Reviewed and approved by the Board of Directors on 28<sup>th</sup> June, 2021)*



## **PURPOSE OF THE POLICY**

This Corporate Social Responsibility Policy is framed in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time. This policy shall apply to all CSR Activities/Projects/Programmes to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013. This policy contains the approach and direction given by the Board taking into account the recommendations of its Corporate Social Responsibility (CSR) Committee. The objective of this policy is to provide the framework for selection, implementation, governance and monitoring of CSR initiatives/activities and formulation of the Annual Action Plan.

## **CSR APPROACH**

Our CSR Vision is to strive for excellence in promoting Social, Economic and Environmental Development and improvement in quality of lives of people in surrounding communities through CSR initiatives, based on ethical, transparent, accountable and sound governance practices. Our mission is to be a committed Corporate Citizen alive towards Social Responsibility with a view to make a positive difference to society.

## **DEFINITIONS**

- a. **“Act”** means the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.
- b. **“Board”** means the Board of Directors of the Company.
- c. **“Company”** means Pasupati Acrylon Limited.
- d. **“CSR Committee”** means the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act. The members of the CSR Committee are Mr. S.C. Malik (Chairperson & Independent Director), Mr. Vineet Jain and Mr. S.P. Gupta (Executive Directors).
- e. **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment 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.
- f. **“Rules”** mean the Companies (Corporate Social Responsibility) Rules, 2014 including any modification, amendment or re-enactment thereof.

Unless the context otherwise requires, words and expression used in this policy and not defined herein but defined in the Companies Act, 2013 and the Company (Corporate Social Responsibility) Rules, 2014 as amended from time to time, shall have the meaning respectively assigned to them therein.



## CSR ACTIVITIES

The scope of the Company's CSR activities would be as per the provisions made under the Companies Act, 2013, Rules made thereunder and Govt. Guidelines and circulars issued and amended from time to time. The Company shall ensure that in identifying its CSR activities, preference shall be given to local area and areas around which the Company and its Unit operates. However, this shall not bar the Company from pursuing its CSR activities in other areas. CSR activities that can be undertaken by the Company as per Schedule-VII of the Act are given below.

- i. Eradicating hunger, poverty and malnutrition; promoting health care including preventing health care and sanitation including contribution to the Swachh 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 vocational 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, agro forestry, 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 arts and handicrafts;
- vi. measures for the benefit of armed-forces veterans, war-widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM Cares Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Tribes, other backward classes, minorities and women;
- ix. contributions 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
- x. Contribution 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);

- xi. rural development projects;
- xii. slum area development;
- xiii. disaster management, including relief, rehabilitation and reconstruction activities.

### **IMPLEMENTATION**

CSR initiatives/activities will be undertaken either by the Company itself or through implementing partners which include

- i. 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 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
- iii. any entity established under an Act of Parliament or a State Legislature; or
- iv. 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.

The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar of Companies, with effect from the 1st April 2021.

The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended) for designing, monitoring, and evaluation of CSR Projects or programmes as per CSR Policy as well as capacity building of their own personnel for CSR.

The Company may also collaborate with other companies to undertake CSR projects or programmes or activities provided the CSR Committees of the respective companies are able to report separately on such projects.

### **OUTLAY & FUNDING**

- i. The corpus for the purpose of carrying on the aforesaid CSR activities shall be at least 2% of the average net profits of the Company made during the three immediately preceding financial years. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.



- ii. Administrative overheads shall not exceed 5% of the total CSR expenditure of the Company in one financial year for the purpose of CSR functions in the company.
- iii. The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be treated as follows:
  - a. ploughed back into the same project, or
  - b. shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or
  - c. shall be transferred to a Fund specified in Schedule VII of the Act, within a period of six months from the expiry of financial year.
- iv. All reasonable efforts will be made to ensure that the CSR amount so disbursed is fully utilized in the respective year in the manner as approved by the Board on the recommendation of CSR Committee. Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 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 30 days from the date of completion of the third financial year.
- v. In case the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount may be set-off against the requirement of the CSR spending under Section 135(5) of the Companies Act, 2013 upto the immediate succeeding three financial year, subject to the fulfillment of conditions as specified under CSR Rules as amended.
- vi. The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfillment of conditions as specified in CSR Rules as amended.

## **GOVERNANCE AND MONITORING**

### **CSR Committee**

The CSR Committee of the Company shall be responsible for:

- i. Formulating and recommending to the Board the CSR policy and a CSR annual action plan;
- ii. Identifying the areas/activities/projects/programmes for CSR contribution and recommend the amount to be spent;
- iii. Reviewing and recommending the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;
- iv. Monitoring the implementation of CSR Policy and Annual Action Plan and oversee the CSR initiatives of the Company.



The CSR Annual Action Plan shall include the following :-

- (a) Identified CSR activities/projects/programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

### **Board of Directors**

The Board of Directors of the Company shall be responsible for:

- i. approving and adopting the CSR Policy, upon review of the recommendation made by CSR Committee;
- ii. Reviewing the recommendation made by the CSR Committee in respect of CSR Annual Action Plan;
- iii. Ensuring that CSR activities are carried out in accordance with CSR Policy and Annual Action Plan and ensuring compliances with the Act & Rules;
- iv. Satisfying itself that the funds disbursed in respect of CSR obligation have been utilized for the purpose and in the manner as approved by it. The Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- v. Monitoring implementation of on-going project with reference to the approved timelines and year wise allocation, if any and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- vi. Ensuring disclosure of the constitution of CSR Committees, contents of CSR Policy and reporting of the CSR activities on the Company's website, and in the Annual Report in the prescribed format.

### **AMENDMENT**

Any modification/amendment in the Policy may be carried out by the Board on the recommendation of the CSR Committee of the Company. The Policy will be subject to change as per the Act, the Rules, other applicable laws, rules, regulations and government guidelines.

\*\*-----\*\*